



Russia and the Ukraine have not yet resolved the issues

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Tags: [coal bed methane](#), [europe](#), [natural gas](#), [russia](#), [ukraine](#) [[list all tags](#)]

With the return to an approximation of the original natural gas flow conditions through the Russian-Ukrainian pipeline, the immediate crisis would appear to be over. The consensus would appear to be that Russia made a diplomatic mistake by suggesting that, albeit courtesy of the Ukrainians, it is no longer a reliable source of supply.

But I am just a little tempted to say "so, what?" There was no immediate switch over to other pipelines that would have allowed maintenance of supply, since these alternatives are not immediately available. In the case of Ukraine the second string to their bow, the Turkmenistan supply, comes through Russia and is equally vulnerable to the same pressure as Ukraine applied to Western Europe. And when all the dust settles, I suspect that Ukraine will have to pay the price that has been asked.

The fall-back suppliers to Western Europe have, in the past, been the reserves in the North Sea. But the UK is now importing gas and has its own worry about supply stability. Norway has a problem also. From the [Scotsman](#)

And in another risk to western European economies, Norway, Britain's biggest gas supplier, warned it would not be able to increase output to meet any shortfall from Russia.

As the [News Hour](#) tonight observed, natural gas is different from oil. Gas comes through pipelines and if your supplier shuts you off, then unless you have a second available pipeline from someone else, you have no gas. Tankers cannot appear magically through the mist to save the day.

So the problem that Europe has now to confront is that of alternate supply. The current situation has demonstrated the vulnerability of many countries to changes in the current supply scenario. But there are no long-term answers to dependence on the limited number of suppliers that exist, short of changing to a different fuel. The suggestion this time is that those who can should switch to oil. Or alternately the business can close, or move to another country where a more reliable supply exists.

That is in large measure what is currently going on in regard to the American situation, businesses can either no longer afford to use gas, or have moved to places where it is more reliably available. This reduction in demand has apparently been sufficient to offset the reduced supply from GOMEX and thus there is less immediate pressure on supply.

There are some industries that will find it hard to change, or alternately to find an alternate

source of energy in the volumes that will be needed. This change in the supply picture for different countries will also change the demands for oil, and it will be interesting to see how that will, in turn, alter the demand for oil.

I would end today on a different note. I have written about the dangers of coal bed methane [earlier](#). With the current doubt about the fate of the miners in West Virginia following the underground gas explosion at the [Sago Mine](#), I would ask your prayers tonight for them, and for their families.



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