

Alaska Pipe Shutdown Opens Door for Russia

By [The Moscow Times](#)

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The Alaskan pipeline closure may force U.S. West Coast refiners to purchase crude supplies from Russia and Oman, pushing Middle East benchmark prices higher, Michael Wittner, a London-based analyst with Societe Generale, said in a report Tuesday.

“[Refiners] would have to increase imports,” Wittner said Monday. “The main market impact would not be on WTI or even Brent. Instead, Dubai would strengthen relative to both Brent and WTI, in order to make the arbitrage economically feasible.”

The West Coast area is isolated from the main U.S. and Canadian crude supply sources. The region includes California, Washington, Oregon, Alaska, Nevada, Arizona and Hawaii.

The 1,300-kilometer Trans-Alaska Pipeline system was shut down on Jan. 8 after a leak was found in a pump house. BP and its partners operate the pipeline. BP, ConocoPhillips and Exxon Mobil suspended 95 percent of their production after the leak.

West Coast refiners including Tesoro and Valero Energy said Monday that they are experiencing little or no impact after the pipeline closure.

Inventories in Alaska stood at about 2.57 million barrels of crude as of Jan. 9, down from 2.95 million Jan. 7, according to the state's web site.

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