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Alaskan leak drives oil to 27-month high

Energy prices have been under pressure since the closure last Saturday of the 800-mile pipeline that transports oil from Northern Alaska, following a leak in a pumping station

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An oil leak on the Trans-Alaska pipeline has pushed up crude prices. Photograph: Doug Wilson/Corbis

The oil price rose to a 27-month high this morning as the ongoing disruption following last weekend's oil leak in Alaska drove fears of supply shortages.

The cost of a barrel of Brent crude – oil sourced from the North Sea – hit \$98 this morning, its highest level since October 2008 before the global economic downturn took hold. US crude oil also rose to \$91.65 a barrel, close to its own 27-month high.

Energy prices have been under pressure since the closure last Saturday of the 800-mile pipeline that transports oil from Northern Alaska, following a leak in a pumping station. This has forced a 95% cut in production at Prudhoe Bay, the source of around 15% of US

oil output.

BP is the largest shareholder in Alyeska Pipeline Service, which operates the Trans-Alaska Pipeline System. The pipeline is expected to be turned on again later today, but only temporarily, in an attempt to prevent the system freezing up. Under usual conditions, oil is heated to almost 100F before being pumped down the pipe. This prevents the saltwater mixed in with the oil from freezing during its journey underground or above the permafrost.

Alyeska said last night that it will probably take another five days to install new piping to bypass the site of the leak. They also need to remove two "cleaning pigs" – devices that are sent through the pipeline to dislodge debris from the system. If the pigs cannot be rounded up, they could push ice into pumping facilities and cause further harm.

With prices at the pumps above the levels seen in 2008, the haulage industry has launched a new campaign to try to force the government to cut fuel duty.

[Britishtruckers.com](http://www.britishtruckers.com) argues that the domestic freight industry is facing a crisis situation, with prices at "unsustainable levels".

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