

U.S. DEPARTMENT OF ENERGY  
**Office of Electricity Delivery and  
Energy Reliability**



# **ENERGY ASSURANCE DAILY**

January 3, 2006

## **Highlights/Major Developments**

### **Cleanup Reduces Outages After Severe Storms Cut Power to 1.4 Million in California**

A series of strong storms brought drenching rains and floods to northern and central California over a three-day period from December 30 through January 1. At the peak, some 1.4 million Pacific Gas & Electric (PG&E) customers were without power. The rain, floods and wind caused an estimated \$100 million damage in California including damage to PG&E equipment at 2,500 locations. Crews worked non-stop to restore power as rains continued and by 9 pm on January 2 had restored power to all but approximately 87,000 customers.

<http://biz.yahoo.com/prnews/060103/sftu039.html?v=34>

<http://www.cnn.com/2006/WEATHER/01/02/western.storms.ap/index.html>

<http://www.cnn.com/2006/WEATHER/01/01/western.storms.ap.1737.ap/index.html>

Reuters 10:54, January 3, 2006.

## **Electricity**

### **Update: FPL's 693 MW Unit 3 Returns to Service**

The 693 MW unit 3 at FPL's Turkey point nuclear generating station in Florida returned to service by early January 3 following a shut down on December 30 to repair a tube leak.

Reuters 07:53, January 3, 2006.

### **Update: Exelon's 864 MW Quad Cities Unit 2 Nuke in Illinois Remains at Half power**

Exelon Corp.'s 864 MW unit 2 at its Quad Cities nuclear power station in Illinois was operating at 50 percent of capacity by early January 2 according to the daily report of the Nuclear Regulatory Commission. The unit had been operating at the reduced capacity sine December 30 so that temperatures could be lowered in order to perform maintenance work.

Reuters 17:41, January 2, 2006.

### **Update: Martin Lake Unit 1 in Texas Returns to Service: Tube Leak Repaired**

TXU reported to regulators that the 750 MW coal-fired unit 1 at its Martin Lake facility in Texas was operating at full capacity on December 31 after being taken out of service on December 30 to repair a leak.

Reuters 09:08, January 3, 2006.

Reuters 20:22, December 30, 2005.

### **AES's 336 MW Gas-fired Alamitos Unit 4 in California Shut December 30**

Reuters 20:43, December 30, 2005

### **CDWR's 223 MW Hyatt Hydro Plant in California Shut December 30**

Reuters 20:43, December 30, 2005

### **Complete's 260 MW Gas-fired La Paloma Unit 3 in California Shut December 30**

Reuters 20:43, December 30, 2005

### **Progress's 838 MW Crystal Rivers 3 Nuke in Florida Shut January 3**

The unit was shut to test a step-up transformer that was showing higher than normal temperatures. The unit was at 10% on December 30.

Reuters 14:59, January 3, 2006

### **CMS's 767 MW Palisades Nuke in Michigan Shut December 30**

Reuters 14:59, January 3, 2006

### **OPG's 494 MW Coal-fired Lambton 2 in Ontario Shut January 3**

The unit was shut for a short-term forced outage.

Reuters 14:59, January 3, 2006

### **Update: Bruce Power's 822 MW Bruce 6 Nuke Unit in Ontario Restarted Dec 30**

The unit was shut December 13 to inspect and repair equipment that loads and unloads fuel into the reactor.

Reuters 14:59, January 3, 2006

## **Petroleum**

### **Speculators and Russian/Ukrainian Dispute Push Oil Over \$63**

Oil prices surged to their highest level in more than two months in part by a natural gas pricing row between Russia and Ukraine and in part because of an influx of speculative interest in crude oil. The price of crude oil in the spot market closed at \$63.11 on January 3.

Reuters 12:07, January 3, 2006.

Bloomberg 15:54, January 3, 2006.

[http://biz.yahoo.com/ap/060103/oil\\_prices.html?v=8](http://biz.yahoo.com/ap/060103/oil_prices.html?v=8)

### **ExxonMobil Olefins Compressor Off-line at Baytown**

ExxonMobil reported that an olefins compressor was taken out of service on January 1. According to the company, any impact on production is anticipated to be minor. There was no indication as to the exact nature of the problem or the expected duration of the outage.

Reuters 09:20, January 3, 2006.

Bloomberg 13:04, January 3, 2006.

### **Norwegian Oil Platform Back on Line Following Small Fire**

According to Statoil, workers were able to return to work shortly after being evacuated from its 42,000 b/d Snorre B platform in the North Sea. A small fire in a control room panel forced the brief evacuation of the platform early on January 3. Production resumed approximately four hours after the fire broke out.

[http://biz.yahoo.com/ap/060103/norway\\_oil\\_platform\\_fire.html?v=1](http://biz.yahoo.com/ap/060103/norway_oil_platform_fire.html?v=1)

Reuters 3:11, January 3, 2006

### **Iraqi Oil Exports in December at Lowest Level Since Resumption**

According to published reports, oil exports from Iraq averaged only 1.1 million b/d in December as continuing sabotage eliminated exports to the north and weather and heavy traffic limited exports through the southern port of Basra. Internal problems also plagued the oil sector leading to the resignation of the oil minister in December.

[http://www.theaustralian.news.com.au/common/story\\_page/0,5744,17711540%255E23109,00.html](http://www.theaustralian.news.com.au/common/story_page/0,5744,17711540%255E23109,00.html)

[http://seattlepi.nwsource.com/national/1107AP\\_Iraq\\_Fuel\\_Crisis.html](http://seattlepi.nwsource.com/national/1107AP_Iraq_Fuel_Crisis.html)

<http://www.platts.com/Oil/headlines.jsp>

## Natural Gas

### Natural Gas Prices Fall to Four Month Low

Mild weather and abundant supplies helped gas prices to continue their downward slide. Prices on the NYMEX futures market closed at \$10.626, the lowest price since August 26, while prices in the spot market fell to \$9.11.

Bloomberg 15:59, January 3, 2006.

### Hurricane Recovery Updates

December 15 was the last scheduled hurricane emergency situation report for 2005. Updates on the status of energy infrastructure restoration efforts related to hurricane damage will be posted in the Energy Assurance Daily in this section of the report. For past Gulf Coast Hurricanes situation reports, see the website of the Office of Electricity Delivery and Energy Reliability (OE) of the U.S. Department of Energy at:

<http://www.oe.netl.doe.gov>.

### Gulf Coast Shut-in Production Per Day

Ivan vs. Katrina/ Rita vs. Most Recent

|                          | <b>Ivan</b>                                   | <b>Katrina/Rita</b>                           | <b>Most Recent</b>                     |
|--------------------------|---|---|--|
| <b>Gas</b><br>(BCF/day)  | <b>6.515</b><br>65.15%<br>(High- 9/16/04)     | <b>9.418</b><br>94.18%<br>(High- 8/30/05)     | <b>1.954</b><br>19.54%<br>(12/29/05)   |
| <b>Oil</b><br>(bbls/day) | <b>1,410,002</b><br>94.00%<br>(High- 9/16/04) | <b>1,564,679</b><br>100.00%<br>(High-9/26/05) | <b>410,618</b><br>27.37%<br>(12/29/05) |

Normal Production in the Gulf Coast is 10 BCF/day of gas and 1,500,000 bbls/day of oil.

Source: U.S. MMS, December 29, 2005

### Gulf Coast Shut-in Production Cumulative

Katrina/ Rita vs. Ivan

|                   | <b>Ivan</b>               | <b>Katrina/ Rita</b>      |
|-------------------|---------------------------|---------------------------|
| <b>Cumulative</b> | <b>9/13/04 - 02/14/05</b> | <b>8/26/05 – 12/29/05</b> |
| <b>Gas (BCF)</b>  | <b>172.259</b>            | <b>560.766</b>            |
| <b>Oil (bbls)</b> | <b>43,841,245</b>         | <b>108,775,910</b>        |

Source: U.S. MMS, December 29, 2005

### Louisiana In-State Daily Production and Pipeline Update

According to the Louisiana Department of Natural Resources on December 29, onshore crude oil production in southern Louisiana has reached 123,629.65 barrels per day, or 60.86 percent of the region's capacity; natural gas production of 1,614.61 million cubic feet per day, or 72.24 percent of daily capacity in 38 southern Louisiana parishes, has been restored. There are 55 on-shore pipeline operators in the hurricane-affected parishes. As of December 29, 18 operator's facilities were reopened, 21 of the operator's facilities are shut-in, and 16 of the operators experience partial system shut-ins or flow.

<http://dnr.louisiana.gov/>

## Other News

### Explosion Traps 13 in West Virginia Coal Mine

Thirteen miners have been trapped following an explosion in a mine in Upshur County, West Virginia. Six miners reportedly escaped following the blast, but there is no word on the status of those still in the mine. The cause of the explosion is under investigation.

[http://pro.energycentral.com/professional/news/power/news\\_article.cfm?id=6202207](http://pro.energycentral.com/professional/news/power/news_article.cfm?id=6202207)

### Mining to Resume at West Elk

Arch Coal announced that it has restarted ventilation equipment at its West Elk mine in Colorado and is re-powering the mine in preparation to resume operations. The mine was shut in November of 2005 when an increase in the level of combustible gases was discovered.

[http://biz.yahoo.com/rb/060103/minerals\\_arch.html?v=1](http://biz.yahoo.com/rb/060103/minerals_arch.html?v=1)

## Energy Prices

|  | Latest<br>(01/03/06) | Week Ago | Year Ago |
|--|----------------------|----------|----------|
| <b>CRUDE OIL</b><br><b>West Texas Intermediate US</b><br>\$/Barrel | 63.11                | 58.16    | 49.16    |
| <b>NATURAL GAS</b><br><b>Henry Hub</b><br>\$/Million Btu           | 9.11                 | 10.22    | 6.79     |

Source: Reuters

### **This Week in Petroleum** from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

*Note: because of the holiday schedule the weekly data will be released on Thursday, December 29, and Thursday January 5.*

### **Weekly Petroleum Status Report** from EIA

[http://www.eia.doe.gov/oil\\_gas/petroleum/data\\_publications/weekly\\_petroleum\\_status\\_report/wpsr.html](http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html)

*Note: because of the holiday schedule the weekly data will be released after 1:00 pm on Thursday, December 29, and Thursday January 5.*

### **Natural Gas Weekly Update** from EIA

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>

*Updated after 2:00 pm on Thursdays Note: Release date is not affected by the federal holiday schedule.*

### **Infrastructure Security and Energy Restoration Website** from ISER/OE/DOE

<http://www.oe.netl.doe.gov>

*Updated after 5:00 pm (Mon. thru Fri.) with latest Energy Assurance Daily; previous Energy Assurance Daily and emergency situation reports are also posted on the website.*

*Note: because of the holiday schedule, there will be no issue of Energy Assurance Daily on Monday December 26 or Monday January 2.*