

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



ENERGY ASSURANCE DAILY

January 10, 2006

Electricity

Update: Progress Energy's 838 MW Crystal River 3 Nuke in Florida Up to Full Power January 10

Progress Energy Inc.'s 838-megawatt unit 3 at the Crystal River nuclear power station in Florida came back to full capacity, up from 40 percent yesterday. The company shut the unit on January 3 to work on a step-up transformer that was showing higher-than-normal temperatures.

Reuters, 13:53, January 10, 2006.

Update: Exelon's 864 MW Quad Cities 1 Nuke in Illinois Up to 85 Percent January 10

Exelon Corp.'s 864-megawatt unit 1 at the Quad Cities nuclear power station in Illinois was up to 85 percent capacity, up from 59 percent yesterday.

Reuters, 13:53, January 10, 2006.

Update: Astoria Expects 500 MW NYC Power Plant to Begin Service in April

Astoria Energy LLC expects the first 500 MW phase of a \$1 billion natural gas-fired power plant in New York City to enter commercial service in April. The company expects the first burn for the combined-cycle unit to occur in January or early February.

Reuters 13:37, January 10, 2006.

Babcock & Brown Phase 3 Completion Ups Output to 264 MW at Texas Wind Park

Babcock & Brown has announced the completion of Phase 3 of the Sweetwater wind power project, bringing the total operating capacity of the facility to 264 MW and making it one of the largest operating wind parks in the country. The 400 MW multi-stage facility is located near Sweetwater, Texas.

<http://biz.yahoo.com/prnews/060109/sfm121.html?v=26&printer=1>.

Sierra Pacific to Develop 1,500 MW Coal-fired Plant and Trans. Line in Nevada

Sierra Pacific Resources intends to develop a 1,500 MW coal-fired power complex in White Pine County, located in eastern Nevada, and an approximately 250-mile transmission line that for the first time would provide an electric connection between the northern and southern parts of the state. The facility's initial 750 MW operating unit is expected to become operational during 2011 with the second unit coming on stream by 2014. The plans also provide for expansion with two 500 MW coal gasification units when the technology becomes commercially viable.

<http://biz.yahoo.com/prnews/060109/lam069.html?v=37>.

Update: FERC Orders Suppliers to Come up With Energy Reliability Plan for D.C. Without Key Alexandria Plant

FERC has ordered electricity suppliers in the D.C. area to come up with a plan to ensure the long-term reliability of the regional power grid in the absence of the 482 MW Mirant power plant in Alexandria. Last

month, Energy Secretary Samuel Bodman ordered the plant, which shut for environmental reasons, to maintain all the units at peak readiness so that they can be fired up in the event of a blackout caused by the failure of two key transmission lines that supply much of Washington D.C.
<http://www.wtopnews.com/index.php?nid=25&sid=668898#>.

Update: New England Energy Alliance Report Again Warns of Imminent Shortages

New England faces major near-term challenges in all parts of its energy infrastructure including natural gas facilities, electric transmission lines and electric power generation, according to a report released today by the New England Energy Alliance. The report indicates that the regions resources are at a critical point and will experience energy shortages by 2010 at the latest.
<http://www.newenglandenergyalliance.org/downloads/media200501.doc>.

Petroleum

Iran Nuclear Concerns Push Oil Up to \$64

Oil rose to \$64 on Tuesday after Iran, the world's fourth biggest crude exporter, jangled investor nerves by breaking U.N. seals at nuclear power plants. Branded a "step in the wrong direction" by the European Union, the move is apt to intensify calls for Tehran to be sent to the United Nations Security Council for possible sanctions. Analysts said they could see no easy solution to the Iranian situation, raising the risk of supply disruption from OPEC's second biggest producer.
http://biz.yahoo.com/rb/060110/markets_oil.html?v=3.

Exxon Mobil's 349,000 b/d Beaumont Refinery Output Unaffected by Flash Fire

On January 9, two workers at Exxon Mobil Corp.'s Beaumont, Texas, refinery were burned when a brief fire ignited while they were preparing equipment for maintenance. The two workers were taken to a hospital in Galveston, Texas, but the flash fire had no impact on production at the refinery.
Reuters, 17:22 January 10, 2006.

Alon USA's Texas 61,000 b/d Refinery Output Unaffected by Malfunction

Although Alon USA's refinery in Big Springs, Texas experienced a malfunction on January 9, its production was unaffected. Refinery spokesperson, Joseph Conciencie stated, "the unit was not actually shut [but] it was briefly offline."
Reuters, 18:26 January 10, 2006.

Saudi Aramco Moving Forward With Three Large Upstream Projects

Energy Intelligence Briefing reports that Saudi Arabia is pushing ahead with three of its large upstream projects, which combined will add more than 1.6 million-1.7 million bbls/d of oil production capacity by 2009.
http://www.energyintel.com/LoginSubscribePPV.asp?Try=Yes&document_id=165989&publication_id=31.

Natural Gas

Update: Nigeria Sends First LNG Shipment to U.S. from New Plant

Nigeria NLNG has shipped the first cargo of liquefied natural gas to the U.S. from its fourth production plant. Consignment from the plant, which only began production in November, was loaded Saturday at the Bonny terminal in southern Nigeria for delivery to the Lake Charles terminal in the U.S. Production has also started at the firm's fifth plant, increasing Nigeria's LNG output to 17 million metric tons per year. Officials report that when the sixth plant comes on stream in 2007, Nigeria will be able to export 8 million tons per year to U.S. markets.
<http://www.forbes.com/markets/feeds/afx/2006/01/08/afx2435604.html>.

Update: FERC Approves 1.15 Bcf/d Expansion at Cameron LNG Terminal

Sempra Energy has received FERC approval to begin a mandatory pre-filing to expand the processing capacity at its Cameron LNG receipt terminal in Louisiana to 2.65 Bcf/d from 1.5 Bcf/d. The proposed expansion, which would add gas processing facilities and one new LNG storage tank, is expected to be complete in 2010. When the expansion is done, Cameron LNG will have four LNG storage tanks, each capable of storing 160,000 cubic meters of LNG. The initial construction phase of Cameron LNG is currently under way near Lake Charles, Louisiana, and is slated for completion in late 2008.

<http://www.platts.com/Natural%20Gas/News/6152928.xml?S=n>.

HurricaneRecovery Updates

December 15 was the last scheduled hurricane emergency situation report prepared in 2005. There will be no further updates to refinery, natural gas plant or pipeline data. The U.S. Minerals Management Service continues to provide weekly status reports on Gulf of Mexico production. This information is represented in the tables below. 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 and Louisiana Shut-in Production Per Day			
January 10, 2006			
	Gulf Coast	Louisiana	Total
Gas (MMcfd) % of normal	1,856 18.6%	620 27.5%	2,470 20.2%
Oil (bbls/day) % of normal	402,259 26.8%	79,509 39.0%	481,485 28.3%

NOTE: Normal Production in the Gulf Coast (Outer Continental Shelf as reported by MMS) is 10,000 MMCF/d of gas and 1,500,000 b/d of oil. Normal Production in Louisiana (as reported by DNR) is 2,235 MMCF/day of gas and 203,139 b/d of oil.

Sources: [U.S. MMS](#), January 9, 2006 and [Louisiana DNR](#), January 10, 2006

Gulf Coast Cumulative Shut-in Production		
Ivan vs. Katrina/ Rita		
	Ivan 9/13/04 - 02/14/05	Katrina/ Rita 8/26/05 – 1/9/06
Gas (MMCF)	172,259	581.682
Oil (bbls)	43,841,245	113,246,964

Source: [U.S. MMS](#), January 9, 2006.

Louisiana Pipeline Operation			
January 10, 2006			
Total	Open	Partially Open	Shut-in
55	18	16	21

Source: [Louisiana DNR](#), January 10, 2006.

OtherNews

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices			
January 10, 2006			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	63.41	63.11	45.31
NATURAL GAS Henry Hub \$/Million Btu	8.60	9.11	6.21

Source: Reuters

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

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

Updated on Wednesdays

Weekly Petroleum Status Report from EIA

http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 1:00 pm (Eastern time) on Wednesdays

Natural Gas Weekly Update from EIA

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

Updated after 2:00 pm (Eastern time) on Thursdays

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.