

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



ENERGY ASSURANCE DAILY

January 18, 2006

Electricity

Windstorm Leaves 28,000 Without Power in Philadelphia Area

On Jan. 17 PECO was still repairing damage from a windstorm in the Philadelphia region which knocked out power to 28,000 people at its peak. The outages were caused by high winds that downed power lines.

<http://www.philly.com/mld/philly/news/13642424.htm>

Wind Energy Developers to be Build 1,000 MW Facility in Labrador

Ventus Energy Inc. and Metis Energy Corporation have announced plans to develop a 1,000 MW wind farm near Churchill Falls, Labrador. This new wind farm, to be called "Height of Land Wind Park", will be the largest in Canada, producing over three terawatt hours of electricity per year. Pending regulatory approval, construction could begin in 2007 and production could begin in 2010.

<http://www.newswire.ca/en/releases/archive/January2006/17/c2909.html>

Bangor Hydro to Proceed with 85 Mile Power Line in Maine

Republican Senators Olympia Snowe and Susan Collins say they have reached an agreement calling for the Maine Army Corps of Engineers and Environmental Protection Agency to issue a permit that will enable Bangor Hydro-Electric Company to go ahead with plans to build an 85-mile power transmission line from Orrington to Baileyville.

<http://www.wlbz2.com/newscenter/article.asp?id=30660>

TVA's 1,183 MW Sequoyah Unit 2 Taken Offline to Replace Transformer

The Tennessee Valley Authority (TVA) took the 1,183 MW unit 2 at the Sequoyah nuclear generating station in Tennessee offline on January 17 to replace a faulty transformer. No information is available as to when the unit will return to service.

Bloomberg 10:21, January 18, 2006.

Pinnacle West Shuts 1,358 MW Palo Verde Unit 1 Shut for Equipment Installation

Pinnacle West Capital Corp. shut the 1,358 MW unit 1 at its Palo Verde nuclear generating station in Arizona in order to install equipment that is designed to reduce vibration in the unit. Pinnacle West anticipates that the unit will return to service within the week.

Bloomberg 12:12, January 18, 2006

South Carolina Power to Double Size of Cross Generating Station

According to Indsutrialinfo.com, South Carolina Power will double the capacity of its coal-fired Cross Generating Station.

Reuters, 11:46, January 18, 2006

OPG's 535 MW Unit 2 at its Lennox Facility in Ontario Returned to Service January 18

Reuters 11:09, January 18, 2006

TXU's 553 MW Coal-fired Unit 4 at its Sandow Plant Closed to Repair Boiler Tube

TXU closed the unit 4 at its Sandow generating facility in Texas to repair a faulty boiler tube according to a report filed with regulators. The company anticipates that the plant will be back in service either on January 19 or 20.

Reuters 08:10, January 18, 2006

Update: Entergy's 684 MW Pilgrim Nuke in Massachusetts Ramps up to Full Power January 18

The unit was taken off line January 12 to test an auxiliary transformer.

Reuters 07:27, January 18, 2006

Update: Entergy's 825 MW FitzPatrick Nuke in New York Ramps Up to Full Power January 18

The unit was reduced to adjust the arrangement of control rods in the reactor.

Reuters 07:26, January 18, 2006

AES's 493 MW Unit 7 at its Redondo Power Plant in California Shut January 16

Reuters 16:54, January 17, 2006

Petroleum

Update: Militants to Release Shell Workers in Nigeria, Shell Taking Steps to Protect Workers

Nigerian militants are preparing to release four foreign oil workers abducted last week from a support vessel servicing Shell's offshore EA field. The group, the Movement for the Emancipation of the Niger Delta, has vowed to continue with the destruction of Nigeria's oil operations. The force majeure declared by Shell on some 221,000 b/d of its Nigerian crude oil production remains in effect. Shell announced on January 18 that it is taking steps to ensure the safety of its workers in the Niger Delta and is reviewing its deployment of staff in the area.

Reuters 06:29, January 18, 2006

<http://www.platts.com/Oil/News/7208224.xml?S=n>

Militants Vow to Extend Attacks in Nigeria to All Oil Companies

In a message that singled out Chevron, militants have vowed to extend their campaign of sabotage and kidnapping to all oil companies in Nigeria. The militants claimed to have already attacked platforms operated by two other companies. The Movement for the Emancipation of the Niger Delta said they have attacked installations run by France's Total and Italy's Agip but spokesmen for the two companies denied it. The militants threatened to attack pipelines, loading ports, export tankers, tank farms, refined petroleum depots, landing strips and residences of company employees, claiming that their "ultimate aim is to prevent Nigeria from exporting oil."

Reuters 13:46, January 18, 2006

Reuters 05:05, January 18, 2006

http://biz.yahoo.com/rb/060118/nigeria_attacks.html?v=1&printer=1

November Canadian Petroleum Imports to US Most Ever from Any Source

In November, crude oil and refined petroleum product imports from Canada averaged 2.319 million b/d, the most ever from any source. Imports of crude oil from Canada rose by 18.9%, or more than 280,000 b/d, from October and were 13.8%, or 215,300 b/d, more than a year ago.

<http://www.thebusinessonline.com/DJStory.aspx?DJStoryID=20060117DN008204>

ExxonMobil on Alert in Nigeria, Denies that it has Closed an Administrative Office

ExxonMobil has placed its staff in Nigeria on high alert and has asked non-essential employees to stay away from its 600,000 b/d export terminal until further notice after recent threats. What effect this will have on exports is uncertain, however sources indicate that loading is due to begin shortly at the two Exxon terminals in Nigeria. ExxonMobil denied a report that it had closed an administrative office in the Niger Delta region. Reuters quotes company representative Susan Reeves as saying "our producing operations are continuing at all facilities and loadings are taking place within normal operational variance."

Reuters 10:21, January 18, 2006

http://biz.yahoo.com/rb/060118/nigeria_attacks.html?.v=1&printer=1

<http://today.reuters.com/business/newsarticle.aspx?type=tnBusinessNews&storyID=nL18696432&imageid=&cap=>

Tug Towing Oil Barge Sinks – Two Killed, No Damage to Barge or Cargo

Early on the morning of January 18, a tug separated from the barge it was towing and sank off the coast of North Carolina. According to reports, two crew members were killed and a third is missing, no damage was reported to the barge or to the 135,000 bbl cargo of #6 residual fuel oil it was carrying.

Reuters 07:06, January 18, 2006

Natural Gas

Woodside Proposes LNG Project in California, Tankers Will Convert LNG to Gas

Woodside Energy Ltd. has proposed a fourth LNG project for California. Its location is unspecified and their plan would not require building a terminal to convert the LNG back to a gas. Instead, the company would employ special tankers that would regasify the LNG and deliver the natural gas directly into an underwater pipeline 15 miles off shore.

<http://www.latimes.com/news/local/la-me-lng17jan17,0,5859035.story?coll=la-headlines-california>

Texas Gas Holding Open Season for Storage Field Expansion

Texas Gas Transmission LLC is holding an open season from Jan. 18 through Jan. 31 for an expansion of its existing storage fields to provide additional firm storage service and no-notice service. The expansion, scheduled to be in service as of Nov. 1, 2007, would provide up to 90,000 Dth/d and up to 6.75 TBtu of seasonal storage capacity by drilling new wells and installing additional compression.

<http://biz.yahoo.com/bw/060117/20060117006347.html?.v=1&printer=1>

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 Louisiana Shut-in Production Per Day			
January 18, 2006			
	Gulf Coast	Louisiana	Total
Gas (MMcf/Day/day)	1,805	613	2,418
% of normal	18.1%	27.4%	19.8%
Oil (bbls/day)	396,786	79,109	475,895
% of normal	26.5%	38.9%	27.9%

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/d of gas and 203,139 b/d of oil.

Sources: U.S. MMS, January 11, 2006 and Louisiana DNR, January, 18, 2006.

Gulf Coast Cumulative Shut-in Production Ivan vs. Katrina/Rita		
	Ivan 9/13/04 – 02/14/05	Katrina/ Rita 08/26/05 – 01/11/06
Gas (MMcf)	172,259	585,308
Oil (bbls)	43,841,245	114,042,425

Source: U.S. MMS, January 11, 2006

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

Source: Louisiana DNR, January 18, 2006

Other News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices January 18, 2006			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate US \$/Barrel	65.76	63.91	48.46
NATURAL GAS Henry Hub \$/Million Btu	8.86	8.55	6.69

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 on Wednesdays

Natural Gas Weekly Update from EIA

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

Updated after 2:00 pm 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.