



ENERGY ASSURANCE DAILY

Thursday, January 25, 2007

Electricity

Nearly 15,000 Customers Remain Without Power in Missouri and Oklahoma

In Missouri, the Emergency Management Agency of Department of Public Safety Office reports that there are 11,638 customers without power as of 12:00 p.m. January 25. In Oklahoma, the Office of Emergency Management has discontinued reporting on the outages. Reports from utilities in the state indicate that there are approximately 3,200 customers still without power. The Oklahoma Association of Electric Cooperatives reports by far the largest number of customer outages with 3,093 as of 10:00 a.m. on January 25.

Sources: <http://sema.dps.mo.gov/SitReps/SITREP1252007.pdf>

http://www.oge.com/systemwatch/graphs/Daily_Graph.asp

<http://www.psoklahoma.com/news/outages/viewstorm.asp?stormID=599>

http://www.ok.gov/OEM/Emergencies_&_Disasters/Winter_Weather_Event_20070112_Master/Winter_Weather_Event_20070112-34.html

Basin Electric's 550 MW Laramie River Coal-fired Unit 1 in Wyoming Running at Reduced Capacity Due To Damaged Nebraska Transmission Lines

A company spokesman said that the power plant has been running at about a third of capacity since an ice storm damaged transmission towers in Nebraska on December 31. The spokesman said that increasing output depends on the reconstruction of those towers. Nebraska Public Power District, which owns the damaged system, said it would take a few more weeks to repair the lines. The 1,365 MW Gerald Gentleman plant in Nebraska has also been operating at reduced power because of the damage.

Reuters, 12:36 January 25, 2007

NPPD's 756 MW Cooper Nuke Unit in Nebraska Reduced to 60 Percent January 25

The company reduced the unit after a reactor recirculation pump tripped. Electricity traders said the unit should be returned to full power in a few days.

Reuters, 11:04 January 25, 2007

Update: TVA's 1,127 MW Sequoyah Nuke Unit 2 in Tennessee Ramps Up January 25

The unit ramped up to roughly 30 percent of capacity by this morning. The unit shut on January 23 when an air line came loose from a valve that controls water for a steam generator. The air line has been replaced.

Bloomberg News, 10:50 January 25, 2007

Dominion's 568 MW Kewaunee Nuke Unit in Wisconsin Reduced January 25

The unit was reduced to about 92 percent of capacity due to abnormal vibrations on a heater drain pump.

Bloomberg News, 11:36 January 25, 2007

PG&E Breaks Ground on 530 MW Gateway Generating Station in California

The new power station will utilize the latest fuel-efficient and environmentally friendly technologies, including "dry cooling" technology to avoid the use of river water and combined cycle technology to decrease fuel use and greenhouse gas emissions.

<http://powermarketers.net/contentinc.net/newsreader.asp?ppa=8knpp%5E%5BkrvqnpIRUjf%7D38%7Dbfem%5Ev>

Invenergy Proposes to Build 500 MW Power Plant in Colorado

To balance the power it produces from wind farms, Invenergy plans to build a gas-fired power plant for use during times when wind energy is inadequate for providing enough power to Invenergy's customer, Xcel Energy. The plant will have a capacity between 500 and 550 MW and is expected to be operational by mid-2009.

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7704284

Alcoa Considering Land Lease from Navy to Build 900 MW Coal-fired Plant in Maryland

The new plant, which would be located in Charles County, Maryland, would enable Alcoa to reopen its smelter located near Frederick, 70 miles away. Some 350 MW from the 900 MW plant would be used by Alcoa while the remainder would be used at Navy's Indian Head Naval Surface Warfare Center or sold into the electrical grid. If built, the plant could be operational in three to five years.

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7705336

Construction to Resume on 650 MW Satsop Natural Gas-fired Plant in Washington

After being mothballed since August 2002, construction on Grays Harbor Energy LLC's Satsop natural gas-fired power plant will soon resume. The project was halted due to soaring gas prices, which have recently dropped, enabling completion. Completion is expected in early 2008.

<http://powermarketers.net/contentinc.net/newsreader.asp?ppa=8knpp%5E%5BkruplpvZUjf%7D38%7Dbfem%5Ev>

California ISO Provides Comprehensive Plan Examining California's Immediate Future Power Grid Needs

The California Independent System Operator Corporation's (California ISO) new transmission plan focuses on easing bottlenecks and enhancing reliability in the next one to three years as well as examining the state's needs in five to 15 years for keeping up with the expected growth in energy supply and demand.

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7708054

Tehachapi Transmission Expansion Project Approved by California ISO Board

On January 24, the California Independent System Operator Corporation (California ISO) Board of Governors approved a significant expansion of the transmission grid in the Tehachapi area of Southern California. The project consists of a series of 17 new facilities or upgrades that will come on line over a period of five years, beginning in late 2008.

<http://www.caiso.com/1b70/1b70eeda42890.pdf>

Petroleum

Fire Temporarily Cuts Crude Rates at ExxonMobil's 563,000 b/d Baytown Refinery in Texas January 24

According to a filing Texas regulators, a small fire on Pipestill 7 atmospheric crude tower T-72 bottoms pump resulted in the shutdown of a refinery gas compressor early Wednesday morning. According to company officials, crude rates were cut on Wednesday but returned to normal on Thursday with minimal impact on production.

Reuters, 12:57 January 25, 2007

Bloomberg News, 11:19 January 25, 2007

Update: Gulf Intracoastal Waterway Near New Orleans Reopened to Traffic

According to the U.S. Coast Guard, the waterway has been fully reopened to traffic. On Tuesday, the route was reopened for one-way traffic. The Intracoastal Waterway was closed about 30 miles west of New Orleans on Sunday when an oil well was hit by a vessel, causing the well to leak.

Oil Daily, January 25 2007

Mechanical Problem Cuts Production Up to 80,000 b/d from Canada's Hibernia Oilfield

Since early January, a mechanical problem with a generator has forced ExxonMobil to cut output by 70,000 to 80,000 b/d from the Hibernia oilfield off the coast of Newfoundland. According to traders March cargoes from the field have been cut by two to six 675,000 barrel cargoes. Hibernia typically offers eight cargoes per month.

Reuters, 11:23 January 25, 2007

Enbridge to Proceed With 450,000 b/d Alberta Clipper Pipeline to U.S. Midwest

The company announced today that it had received industry support to proceed with the Alberta Clipper pipeline, which is expected to be in service late 2009 to mid-2010. According to Enbridge, the line could eventually handle up to 800,000 b/d. Enbridge also announced today that it would move forward with its 880,000 b/d Line 4 Extension project, which will eliminate any bottlenecks on its mainline system between Edmonton and Hardisty in Alberta.

Reuters, 08:15 January 25, 2007

Shell Canada Announces Expansion of Oil Sands Project in Alberta

On January 24, Shell Canada announced the latest expansion plan for its oil sands project in Alberta. The plan calls for increasing output from mining and recovery projects to 770,000 b/d as well as increasing upgrading capacity to 700,000 b/d. Earlier projections for the project were to expand capacity to approximately 500,000 b/d by 2010.
Oil Daily, January 25, 2007

Irving Files for Environmental Permit to Build 300,000 b/d Refinery in New Brunswick to Serve U.S. Northeast Markets

Reuters, 13:06 January 25, 2007

Militants Attack Repelled at Eni's Obama Pump Station in Nigeria January 25

Two boatloads of heavily armed militants attacked an oilfield control station operated by Italy's Eni but were repelled by troops. There was no impact on output from the Obama oilfield.

Reuters, 12:26 January 25, 2007

Money Spent on Oil and Gas Exploration Represents Smaller Percentage of Upstream Funding – Report

According to a new study from the energy research firm John S. Herold, oil and gas companies are devoting a smaller percentage of their upstream budgets to exploration. Instead, they are emphasizing development and production programs over finding new resources. According to the data compiled by Herold, while overall upstream spending increased around 90 percent during the past five years the portion spent on exploration rose only by about 50 percent.

Oil Daily, January 25 2007

Natural Gas

AGS Receives Successful Open Season Results for 15.5 Bcf Salt Cavern Natural Gas Storage in Louisiana

Martin Resource Management Corporation's (MRMC) Arcadia Gas Storage LLC (AGS), recently received favorable responses during its non-binding Open Season for the construction of salt cavern natural gas storage capacity in North Louisiana. As AGS negotiates terms and agreements with its potential customers, the company will seek the remaining necessary regulatory approvals from the State of Louisiana to complete the project.

http://pro.energycentral.com/professional/news/gas/news_article.cfm?id=7703978

Other News

Customers form Organization to Promote Railroad Reform Legislation

Many of the members of the group are electric cooperatives that depend on coal to fuel their power plants and many have been dissatisfied as railroads had problems delivering coal. The organization, Consumers United for Rail Equity (CURE) is comprised of utilities including investor owned, municipals, and cooperatives as well as other industries depending on rail transportation.

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7705309

Energy Prices

U.S. Oil and Gas Prices January 25, 2007			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	53.93	50.64	65.60
NATURAL GAS Henry Hub \$/Million Btu	7.18	6.29	8.50

Source: Reuters

Energy Notes

Duke Energy Investing in Nuclear and Other Low-Emissions Technology

http://today.reuters.com/news/articlenews.aspx?type=reutersEdge&storyID=2007-01-24T171117Z_01_L24794080_RTRUKOC_0_US-DAVOS-DUKE.xml&WTmodLoc=EntNewsTV_R3_reutersEdge-5

FERC Cites Possibility of “Stop Work Order” on Entrega’s Rockies Express Pipeline if Compliance Violations Continue

<http://intelligencepress.com/>

SPR Purchases Could be Delayed if Oil Prices are High - DOE

Reuters, 17:34 January 24, 2007

AES Wins Ruling to Overturn Law Blocking Proposed Sparrows Point LNG Plant in Maryland

Bloomberg News, 13:00 January 25, 2007

Production Starts at Noble Energy’s Dumbarton Development in North Sea

Oil Daily, January 25 2007

Accident Injures Three During Crude Unit Restart at PdVSA’s 200,000 b/d Puerta La Cruz Refinery in Venezuela January 24

Reuters, 17:17 January 24, 2007

Gunmen Abduct Three Chinese Oil Workers at Nigerian Oilfield January 25

Reuters, 12:26 January 25, 2007

Suez Canal Suspends Vessel Traffic for Seven Hours to Salvage Sunken Dredger

Reuters, 04:11 January 25, 2007

Links

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

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

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

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

Updated after 10:30 AM & 1:00 PM EST every Wednesday.

Natural Gas Weekly Update from EIA

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

Updated after 2:00 PM EST every Thursday.

ENERGY ASSURANCE DAILY

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

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