



ENERGY ASSURANCE DAILY

Friday, February 02, 2007

Electricity

Entergy's 1,001 MW Arkansas Nuke Unit 1 in Arkansas Ramps Up 16 Percent Exiting Outage February 2

The unit was shut on January 25 when a malfunction occurred in reactor power control equipment.
Bloomberg, 02:00 February 2, 2007

Update: Constellation's 497 MW Ginna Nuke Unit in New York Back at Full Power February 2

The unit, which exited an outage earlier in the week, returned to full power by early Friday. The unit tripped offline on January 27 due to a problem with the turbine electro-hydraulic system.
Reuters, 07:26 February 2, 2007

Update: Constellation's 873 MW Calvert Nuke Unit 1 in Maryland Back at Full Power February 2

The unit returned to service and ramped up to full power by early Friday. Constellation took the unit offline on January 31 to fix a steam leak in the high-pressure turbine piping exhaust piping.
Reuters, 07:25 February 2, 2007

Update: APS's 1,247 Palo Verde Nuke Unit 3 in Arizona Ramps Up to 91 Percent February 2

The unit, which exited an outage yesterday, ramped up to 91 percent power by early Friday. The company shut the unit on January 27 for required five-day test of the backup battery system.
Reuters, 07:51 February 2, 2007

Update: PSEG's 1,049 MW Hope Creek Nuke Unit in New Jersey Ramps Up to 80 Percent February 2

The unit, which exited an outage yesterday, ramped up to 80 percent of capacity by early Friday. The unit shut down on January 27. Operators believe the cause of the shutdown was a feedwater anomaly that caused an indication of low reactor water level.
Reuters, 07:29 February 2, 2007

Update: OPG's 490 MW Nanticoke Coal-fired Unit 7 in Ontario Back in Service February 2

Reuters, 08:11 February 2, 2007

OPG's 535 MW Lennox Oil/Gas-fired Unit 3 in Ontario Shut February 2

The unit shut for work by early Friday.

Allegheny's 530 MW Hatfield Coal-fired Unit in Pennsylvania Shut February 2

Reuters, 13:21 February 2, 2007

SCE's 527 MW Mountainview Gas-fired Unit 4 in California Shut February 1

Reuters, 13:21 February 2, 2007

FERC Environmental Impact Report Supports Lake Elsinore, California Power Plant

The project proposes to pump water uphill from Lake Elsinore into another reservoir during off-peak demand. The water would be released during peak demand to generate up to 500 MW of hydro-electric power. The pumped water storage project was deemed beneficial to the region by the FERC study which examined locations for the needed facilities and transmission lines.

http://www.pe.com/breakingnews/local/stories/PE_News_Local_S_sreport31.4accbcd.html

Petroleum

Oil Barge Catches Fire After Striking Railroad Bridge Near Vicksburg, MS February 1 Mississippi River Scheduled to Reopen Later on February 2

A 30-mile stretch of the Mississippi River near Vicksburg, Mississippi remains closed but should reopen sometime later on February 2. Last night around 9:30 p.m., the Coast Guard closed the river to traffic after a fire occurred on an oil barge that struck a railroad bridge. After the collision, the barge, which was carrying about 18,000 bbls of Canadian crude oil to New Orleans, drifted down river until it was pushed against the river bank and where the fire was extinguished. According to the Coast Guard, there is containment around the barge and some pollution in the area. A representative of the barge company has stated that the hull did not rupture and the company will pump the oil out and repair the barge.

Reuters, 14:40 February 2, 2007

Reuters, 10:25 February 2, 2007

<http://www.foxnews.com/story/0,2933,249720,00.html>

OPIS Reports BP May Soon Close its Tampa, Florida Fuel Terminal for About 30 Days

Oil Price Information Service (OPIS) reports that BP's dock has been damaged and needs to be repaired.

OPIS, 1032 February 2, 2007

Shell Required to Inspect Equipment at 143,000 b/d Puget Sound Refinery in Washington State to Determine Cause of Leaks During the Past Seven Months

The Washington State Department of Ecology has ordered Shell to inspect all oil transfer lines and the equipment relating to oil transfers at its Puget Sound refinery following a series of four oil spills that occurred in June and July of 2006 and on January 27 and January 30 of this year. The leaks in January involved a total of only about 6 gallons but the agency is concerned about the issue of pipeline corrosion, which has been determined to be the cause of the spill on January 27.

Reuters, 12:27 February 2, 2007

55,000 b/d Cat Cracker Shut at Valero's 170,000 b/d McKee Refinery in Texas February 1

According to Valero, the unit has been shut so that a specific part can be replaced.

Reuters, 15:45 February 2, 2007

Emissions Event at ConocoPhillips 247,000 b/d Sweeny Refinery in Texas February 1

According to a filing with state regulators, a buildup of catalyst in the electrostatic precipitators on a fluid catalytic cracking unit resulted in the event that lasted about one hour.

Reuters, 15:42 February 1, 2007

Pinhole Gas Line Leak Results in Flaring at BP's 460,000 b/d Texas City Refinery in Texas February 2

According to a filing with state regulators, a small pinhole leak in a gas line was discovered during the morning on February 2. The leak was temporarily clamped off to halt the leak; however, the company began flaring waste gas at about 7:00 this morning.

Reuters, 12:55 February 2, 2007

Update: BP Expects Texas City Refinery to be at Full Capacity by End of 2007

On February 1, BP's North American chairman announced the refinery would be back to normal by the end of the year. He said it was only operating at about 50 percent capacity now.

http://www.tiscali.co.uk/news/newswire.php/news/reuters/2007/02/02/business/bp39s-us-chief-sees-progress-in-repairing-image.html&template=/business/feeds/story_template.html?page=2

Marathon to Move Forward on Expansion of Garyville Refinery in Louisiana

Marathon has reiterated that it will proceed with the previously announced expansion plans for its 245,000 b/d refinery in Louisiana despite a push for renewable fuels by the Bush administration. Earlier this year, the company's plans to add 180,000 b/d of capacity to the facility were approved by the Louisiana Department of Environmental Quality.

Reuters, 12:17 February 2, 2007

BP to Initiate Production from Gulf of Mexico Atlantis Field by Mid-Year

BP announced on February 1 that it will begin production from the Atlantis field in the U.S. Gulf of Mexico by the middle of this year. BP estimates that Atlantis holds 575 million barrels of oil equivalent and that production will reach 200,000 b/d of oil and 180 MMCF/d of natural gas at its peak.

Reuters, 18:25 February 2, 2007

Natural Gas

Pacific Connector Gas Pipeline Solicits Commitments for Pacific Connector Project

Pacific Connector Gas Pipeline today began an open season for natural gas pipeline capacity on its proposed 231-mile long, 36-inch diameter Pacific Connector Gas Pipeline. The new pipeline could supply up to 1 bcf/d of gas from the proposed Jordan Cove LNG facility in Coos Bay, Oregon to other points within Oregon. The pipeline would also interconnect with other gas pipelines in Oregon.

<http://biz.yahoo.com/prnews/070201/dath069.html?v=3>

Columbia Gas of Ohio Says up to 400,000 Customers May Have Faulty Risers

Columbia Gas, Ohio's biggest natural gas provider said up to 400,000 of its 1.4 million customers could have hookups (known as risers) prone to failure and leaking. These risers, which connect the gas meter to the pipes, are owned by the customers. The Public Utilities Commission of Ohio has asked the state's utilities to inspect and replace all faulty risers.

<http://www.dispatch.com/business-story.php?story=dispatch/2007/02/02/20070202-A1-02.html>

Tidelands Files with FERC to Build 1 Bcf/d Natural Gas Pipeline between U.S. and Mexico

This pipeline is the U.S. portion of Tidelands' Northeast Hub Pipeline.

NGI, *Daily Gas Price Index*, February 2, 2007, <http://intelligencepress.com/>

Update: FERC Reports Chances of New Alaskan Natural Gas Pipeline are Remote

<http://www.kodiakdailymirror.com/?pid=19&id=4331>

Other News

Update: FRA Issues Final Environmental Review on Proposed DM&E PRB Project New Safety and Air-Quality Requirements Added

On January 31, the Federal Railroad Administration (FRA) announced that it has determined that the proposed Dakota, Minnesota, & Eastern (DM&E) Powder River Basin railroad project has met the requirements of the federal environmental review process. The FRA also outlined new measures the railroad must take to improve safety and air quality if the pending DM&E \$2.3 billion Railroad Rehabilitation and Improvement Financing (RRIF) loan application is approved. FRA has from now until April 30 to approve or disapprove of the loan application. To view the complete environmental Record of Decision and Final Section 4(f) Statement, please click:

www.fra.dot.gov/us/content/1711.

<http://www.fra.dot.gov/us/press-releases/131>

Valero Sees Little Short-term Growth in US Ethanol Blending

The high price of corn, the low BTU value of ethanol compared to gasoline, and the lack of infrastructure will limit the short-term growth of ethanol blending where it is not required according to Valero's head of marketing and supply.

<http://www.platts.com/Oil/News/6343705.xml?p=Oil/News&sub=Oil>

Pennsylvania Governor Unveils Energy Independence Strategy

On February 1, Governor Rendell released his Energy Independence Strategy. The Governor stated that the plan “will give us the ability to produce enough homegrown fuel to replace every gallon Pennsylvania currently imports from the Persian Gulf.” A press release from the Governor’s office noted that “one of the largest ethanol plants in the East will be built in the state, and approximately 340 million additional gallons of ethanol production are planned. Similarly, companies in Pennsylvania are expected to produce 60 million gallons of biodiesel by the end of 2007, and other new plants being built are expected to produce an additional 170 million gallons within the next two years. To put that into perspective, current national production of biodiesel amounts to 225 million gallons, putting Pennsylvania’s total production near the top of all states.”

<http://www.governor.state.pa.us/governor/cwp/view.asp?a=1115&q=451314>

Energy Prices

U.S. Oil and Gas Prices			
February 2, 2007			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	59.01	55.06	64.60
NATURAL GAS Henry Hub \$/Million Btu	8.17	7.18	8..71

Source: Reuters

Energy Notes

Nigerian Oil Workers Unions Could Strike After Meeting With President February 5

Reuters, 03:56 February 2, 2007

Tornados Knock Out Power to 20,000 Customers in Lady Lake, Florida February 2

<http://www.cnn.com/2007/US/02/02/florida.storm/index.html>

Bush to Seek \$9 Billion More in Energy Loan Guarantees for FY 2008

<http://www.platts.com/Oil/News/6344872.xml?p=Oil/News&sub=Oil>

Strong Winds Force Closing of Russia’s Black Sea Novorossiisk Oil Port February 2

Reuters, 08:04 February 2, 2007

Strong Winds Force Closing of Romania’s Black Sea Constanta Oil Port February 2

Reuters, 06:12 February 2, 2007

Russian Oil Output Reaches Post-Soviet Era High of 9.85 Million b/d in January 2007

Reuters, 00:27 February 2, 2007

Russian Black Sea Oil Exports Drop 17 Percent in January from December Level

Reuters, 08:12 February 2, 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>.

Please direct comments and questions to: ead@oe.netl.doe.gov