



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

# ENERGY ASSURANCE DAILY

Friday, February 24, 2006

## *Major Developments*

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### **Crude Futures Up More Than \$2 a Barrel After Failed Attack at Saudi Oil Facility**

On NYMEX today, light sweet crude for April delivery closed up \$2.26 at \$62.80 a barrel after guards at the Abqaiq refinery in Saudi Arabia stopped an attempted attack by suicide bombers in explosive-laden cars. Two cars exploded when guards opened fired as the drivers attempted to enter the facility. According to official Saudi sources, production has not been affected. Continued sectarian violence in Nigeria and Iraq along with concern over Iran's nuclear ambitions also contributed to the price rise. The U.S. Department of Energy announced that Energy Secretary Bodman is closely monitoring the situation.

Reuters, 14:50 February 24, 2006.

Reuters, 14:33 February 24, 2006.

Reuters, 14:25 February 24, 2006.

Reuters, 14:15 February 24, 2006.

Reuters, 07:06 February 24, 2006.

<http://www.newsday.com/search/dispatcher.front?Query=petroleum&target=article>

[http://biz.yahoo.com/ap/060224/oil\\_prices.html?.v=12](http://biz.yahoo.com/ap/060224/oil_prices.html?.v=12)

## *Electricity*

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### **TVA's 1,121 MW Watts Bar Nuke in Tennessee Dropped to 46 Percent of Capacity February 24**

Reuters, 7:16 February 24, 2006

### **Dominion Resources Inc's 882 MW Unit 2 at the Millstone Nuclear Power Station in Connecticut Shut February 24**

The unit was manually taken offline because of an interruption in air that keeps valves open, according to a spokesman.

Reuters, 7:13 February 24, 2006

Bloomberg, 9:37 February 24, 2006

### **PSE&G Plans to Replace Transformers at Branchburg Substation in New Jersey by Summer 2006**

According to a company spokeswoman, Public Service Electric & Gas Co. expects to replace three transformers at the Branchburg substation soon. Traders conjecture they will be replaced between April 14 and May 22, when part of the substation will be shut, according to a transmission outage report filed by PJM Interconnection, the regional grid operator.

Reuters, 12:20 February 24, 2006

**New York to New Jersey Power Line Most Likely Knocked Out by Lightning**

The 500 kV Branchburg-Ramapo power line was likely knocked out Thursday afternoon by a lightning strike. The line was returned to service late Thursday after an inspection found no damage to the line or other equipment. The outage did not cause customers to lose service.

Reuters, 11:19 February 24, 2006

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**Petroleum**

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**Pipeline Fire Controlled in Saudi Arabia**

According to Al Arabiya television, a pipeline fire was brought under control at an oil facility that includes equipment to send the oil to export terminals. Security forces were quoted as saying that one unit was damaged; there was no information from Saudi oil officials.

Reuters, 08:46 February 24, 2006.

**Update: OCP Pipeline in Ecuador Restarted**

The privately owned OCP Pipeline shut earlier this week by protests has been restarted according to company officials. The line is currently flowing at 100,000 b/d and officials indicate that they anticipate a return to normal levels of approximately 160,000 b/d.

Reuters, 12:32 February 24, 2006.

**Nigerian Court Upholds National Assembly, Says Shell Owes \$1.5 billion in Damages – Shell to Appeal**

A Nigerian court upheld a resolution of the National Assembly and entered a judgement in favor of the Ijaw Aborigines that Shell should pay \$1.5 billion to the Ijaw communities for damages from pollution. A Shell representative responding from London said that there are “strong grounds to appeal, as independent expert advice demonstrates that there is no evidence to support the claims.”

Reuters, 12:54 February 24, 2006.

Bloomberg, 12:47 February 24, 2006.

**Update: Colonial Will Continue to Ship MTBE on Case-by-Case Basis**

Colonial Pipeline announced that at the request of oil companies it would continue to ship MTBE on a case-by-case basis in order to provide operational flexibility for the shippers.

Reuters, 12:41 February 24, 2006.

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**Natural Gas**

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**FERC Delays Lifting of Restrictions to Encourage Natural Gas Recovery Efforts**

On February 22, the Federal Energy Regulatory Commission (FERC) extended the deadline for the construction of certain natural gas infrastructure projects. The waiver is intended to help mitigate natural gas supply disruptions caused by Hurricanes Katrina and Rita.

<http://www.ferc.gov/press-room/press-releases/2006/2006-1/02-22-06.asp>

**Update: Quoddy Bay LLC's LNG Project Quadruples Capacity Plans**

Oklahoma-based Quoddy Bay LLC, which originally proposed to build a 500 mcf liquefied natural gas (LNG) terminal on Passamaquoddy tribal land at Split Rock, has now decided to construct a facility with a daily capacity four times as large. The proposed LNG facility will have two systems (although only one will operate at a time) for converting LNG into vapor, which could allow the facility to process 2 bcf of natural gas a day. Quoddy Bay plans to build a connecting 35-mile-long pipeline from Split Rock to Princeton .

<http://powermarketers.net/contentinc.net/newsreader.asp?ppa=8knpp%5E%5BggksonoRUiey30qbfel%5Dv>

## Other News

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Nothing to report.

## Energy Prices

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<b>U.S. Oil and Gas Prices</b>			
February 24, 2006			
	<b>Today</b>	<b>Week Ago</b>	<b>Year Ago</b>
<b>CRUDE OIL</b>			
<b>West Texas Intermediate U.S.</b>	60.48*	59.76	52.05
\$/Barrel			
<b>NATURAL GAS</b>			
<b>Henry Hub</b>	7.39	7.39	6.33
\$/Million Btu			

Source: Reuters

\*Note: Bloomberg's closing WTI spot price for February 24 was \$62.26.

## Energy Notes

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### **P&O Port Deal Delayed**

Reuters, 12:38 February 24, 2006.

### **FutureGen Non-Profit Consortium Welcomes Anglo American**

Energy Central Daily, February 24, 2006.

### **Florida PSC to Require Utilities to Hurricane-proof Infrastructure**

<http://powermarketers.net/contentinc.net/newsreader.asp?ppa=8knpp%5E%5BggltvtWUiey30qbfel%5Dv>

### **Pennsylvania Proposes Regulation for Faster Cuts in Power-plant Emissions**

<http://powermarketers.net/contentinc.net/newsreader.asp?ppa=8knpp%5E%5BgglttmRUiey30qbfel%5Dv>

### **New York Public Service Commission Reviewing National Grid's Response to Recent Outage**

<http://www.poststar.com/story.asp?storyid=211621>

### **Occidental Forecasts 5-7 Percent Increase in Production Over Next 5 Years**

<http://biz.yahoo.com/bizj/060223/1232813.html?v=1>

### **SCANA May Become First U.S. Utility to Apply for New Nuclear Plant Permit**

Bloomberg, 14:54 February 24, 2006.

## Links

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***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](http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html)

Updated after 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.

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