



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

ENERGY ASSURANCE DAILY

Thursday, March 2, 2006

Electricity

AEP's 690 MW Coal-fired Oklaunion Power Station Shut in Texas, March 1

American Electric Power Co Inc said the plant shut due to a fault in a substation. The company did not say when the unit would return to service.

Reuters, 14:09 March 2, 2006.

Update: Two TXU 750 MW Coal-fired Martin Lake Units Return to Service in Texas March 2

Units 2 and 3 at the Martin Lake power station in Texas returned to service earlier this week following repairs to boilers. The company shut units 2 and 3 on March 1 and February 28, respectively.

Reuters, 13:52 March 2, 2006.

Westinghouse's 971 MW Indian Point Unit 2 Nuke Exits Outage in New York March 2

The plant, which ramped up to 7 percent on March 2, went offline on March 1, after a carpenter inadvertently turned off electrical power to the control rods used to slow the reactor. Workers expect to get the nuclear plant back online in a few days.

<http://www.thejournalnews.com/apps/pbcs.dll/article?AID=/20060302/NEWS02/603020371/1020/NEWS04>

Reuters, 09:02 March 2, 2006.

Update: NPPD's 756 MW Cooper Nuke Station Ramps up to 90 Percent in Nebraska March 1

The plant, owned by Nebraska Public Power District, was shut on February 26 due to a problem with a valve following a test. It exited an outage on February 27 and was at 60 percent on March 1.

Reuters, 08:14 March 2, 2006.

Flour to Begin Construction on 200 MW Coal-fired Plant in Nevada

Engineering and construction company Fluor Corp. said on March 1 it will begin construction of a 200 MW, coal-fired power plant in Eureka County, Nevada for Newmont Mining Corp. The plant is expected to enter commercial operation in 2008.

Reuters, 18:08 March 2, 2006.

Petroleum

Update: Western Refining to Expand El Paso Refinery by 7,000 b/d

Western Refining Inc. will increase crude capacity at its El Paso, Texas refinery from 113,000 b/d to 115,000 b/d by the second quarter of 2006 and to 120,000 b/d by the end of 2007. During 2005, Western increased crude capacity at the refinery from 108,000 barrels per day to 113,000 b/d.

Reuters, 12:19 March 2, 2006.

Sulfur Recovery Units Malfunction at Valero's Corpus Christi Refinery

An electrical malfunction affected operation of sulfur recovery units at Valero Energy Corp.'s 142,000 b/d refining complex in Corpus Christi, Texas on March 1. The malfunction will have no significant impact on production at the refinery.

Reuters, 17:54 March 1, 2006.

Spearhead Pipeline Delivers First Western Canadian Crude to Cushing, Oklahoma

Enbridge Inc. has announced that the first Western Canadian crude oil will officially be delivered through its Spearhead Pipeline to Cushing, Oklahoma on morning of March 2. The 125,000 b/d delivers crude oil from the Canadian oil sands projects to the Cushing hub a distance of slightly more than 2,200 miles. Enbridge expects to expand throughput to 190,000 b/d in the near term.

<http://biz.yahoo.com/bw/060302/20060302005106.html?v=1>

Chevron Plans to Produce 100,000 b/d from Canadian Oil Sands within 10 Years

Chevron Corp. plans to spend "billions" of dollars to develop five oil sands leases it acquired in Alberta. The Canadian leases contain an estimated 7.5 billion barrels of oil and Chevron plans to produce 100,000 b/d from the fields within 10 years.

Bloomberg, 13:29 March 2, 2006.

Update: Chevron Sees No Indication that Pipeline in Nigeria was Attacked

Chevron announced that there is no indication that the pressure drop that forced the company to shut a crude oil pipeline in the Niger Delta on February 25, was caused by militants operating in the area. The company indicated that the pipeline is underground and although the cause of the incident is under investigation, there is no indication of foul play.

<http://www.marketwatch.com/News/Story/Story.aspx?guid=%7B4C0C1059%2D08F8%2D4B50%2D8C4E%2D41F4AB2B08DD%7D&dist=newsfinder&siteid=google&keyword>

Al Qaeda Advises Attacks on Oil Pipelines and Tankers in Saudi Arabia and Iraq

Al Qaeda has advised followers to attack oil pipelines in Saudi Arabia and Iraq but to steer clear of oil wells because they are the lifeline of Muslim states, according to a manifesto recently published on the Web. The document was written two years ago by Abdulaziz al-Enezi, a prominent Al Qaeda ideologue who was arrested in Saudi Arabia in 2005. He also noted that oil pipelines were the easiest targets because they were hard to protect, less costly to fix and attacks on them did not rob Muslims of their oil wealth. Enezi also advised attacks on American and Western oil tankers operating in the region.

Reuters, 05:54 March 2, 2006.

Guards Foil Terrorist Attack on Oil Export Pipeline in Iraq

Guards with Iraq's oil protection service killed one man and detained three others as they were trying to plant bombs under a pipeline west of Kerbala, south of Baghdad, security sources said on March 2. Industry officials said the pipeline carries crude from the Kirkuk oilfields in the north to Basra in the south.

Reuters, 11:23 March 2, 2006.

www.eia.doe.gov

Update: Militants Release Six Foreign Oil Workers in Nigeria

Nigerian militants released six of nine foreign oil workers abducted during an attack on an oil barge on Feb. 20. The Movement for the Emancipation of the Niger Delta said in an e-mail that they will hold the remaining three expatriates indefinitely. Recent attacks by the militants on oil facilities in Nigeria, the United States' fifth largest foreign oil supplier, have cut production by 455,000 b/d, or 19 percent the country's total output.

http://news.xinhuanet.com/english/2006-03/02/content_4245422.htm

Natural Gas

Nothing to Report.

Other News

Think Tank Foresees Explosive Growth for Ethanol Production in 2006

The Food and Agricultural Policy Research Institute is forecasting that U.S. ethanol plants will distill 4.589 billion gallons of the renewable motor fuel this year, an explosive growth for the farm-grown fuel. The Institute predicts that output will hit 5.217 billion gallons in 2007 and added that "If the current pace of plant construction continues, ethanol production could exceed the levels shown." According to the Renewable Fuels Association, the industry produced a record 3.904 billion gallons of ethanol last year.

Reuters, 12:47 March 2, 2006.

Fire Alarm Causes Alert at Susquehanna Nuke Plant in Pennsylvania

An alert was declared at PPL's Susquehanna nuclear power plant in Luzerne County, Pennsylvania at 9:27p.m. on March 1 after a fire protection system activated in a building located in a non-nuclear area of the plant. The alert ended at 4:33 a.m. on March 2 and the plant continues to operate normally. There was no release of radiation and an investigation continues to find the cause of the incident. An alert is the second lowest of four emergency classifications for U.S. nuclear power plants established by the Nuclear Regulatory Commission.

<http://biz.yahoo.com/pmnews/060302/nyth099.html?.v=43>

Energy Prices

U.S. Oil and Gas Prices			
March 2, 2006			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	63.36	58.03	53.00
\$/Barrel			
NATURAL GAS			
Henry Hub	6.69	7.23	6.61
\$/Million Btu			

Source: Reuters

Energy Notes

EPA Forcing Refiners to Cut Benzene Content Beginning 2011

Oil Daily, March 2, 2006.

<http://www.platts.com/Oil/News/7304633.xml?S=n>

EPA Seeking to Ease Ethanol Plant Pollution Rules

Reuters, 12:02 March 2, 2006.

Florida Regulators Studying Ways to Strengthen Electrical System, No Major Changes Will Happen Before Next Hurricane Season

<http://powermarketers.netcontentinc.net/newsreader.asp?ppa=8knpp%5E%5BghiwsoVSec%216%3C%22b%5D%5D>

Florida Regulators Want Electric Utilities to Report Plans for Hurricane Season

<http://powermarketers.netcontentinc.net/newsreader.asp?ppa=8knpp%5E%5Bghimswz%5BSec%216%3C%22b%5D%5D>

Shortage of Trained Linemen Seen as Impediment to Power Restoration Efforts

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=6392647

U.S. Nuclear Refueling Outages Show Effects of Aging Maintenance

<http://www.platts.com/Nuclear/News/8312687.xml?S=n>

NRC Reviewing Turkey Point Security

<http://www.sun-sentinel.com/news/local/miami/sfl-228turkeypoint.0.7835965.story?coll=sfla-news-miami>

Oil Spill Closes Western Lane of Suez Canal, Speed Limit Reduced

Reuters, 07:37 March 2, 2006.

Jordan Arrests Terrorists, Foils Al Qaeda Plot to Blow up Major Power Plant

Reuters, 11:51 March 2, 2006.

Beacon Power to Test Fly Wheel Energy Storage System in New York

Reuters, 15:54 March 1, 2006.

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 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.

Visit *Energy Assurance Daily* Online!

Energy Assurance Daily provides a summary of public information concerning current energy issues. Published Monday through Friday to inform stakeholders of developments affecting energy systems, flows, and markets, it provides highlights of energy issues rather than a comprehensive coverage. *Energy Assurance Daily* is updated online Monday through Friday after 5:00 PM EST. For more information, visit us online at:

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