



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

ENERGY ASSURANCE DAILY

Wednesday, March 08, 2006

Electricity

Over 30,000 Delmarva Customers Lost Power for Two Hours in Maryland and Delaware

http://www.wboc.com/Global/story.asp?S=4597571&nav=menu222_3

Update: Power Increase at Vermont Yankee on Hold Because of Vibration Problem

The just approved uprating for the Vermont Yankee nuclear generating station is on hold due to a vibration problem that developed as the power boost had reached five percent.

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=6413984

Update: SCE ‘Working Hard’ to Return 1,580 MW Mohave Coal-fired Plant in Nevada

On March 8, a spokesman for Southern California Edison Co. (SCE) said that the company is “working hard” to reach an agreement with all parties involved to return the 1,580 MW Mohave coal-fired facility in Nevada to operational status. SCE was required to close the plant on Dec. 31 of 2005 by court order. At the present time, SCE is keeping the full staff at the station and has asked Peabody Energy Corp., which supplies coal to the plant, to maintain staffing levels for at least 90 days (until the end of March) while the company attempts to reach agreements on water supply and various environment issues that would enable the company to restart the plant before upgrading the station’s pollution control equipment.

Reuters, 12:41 March 8, 2006.

Sempra Energy Unit Begins Constructing Transmission Project in San Diego

On March 8, Sempra Energy’s San Diego Gas & Electric Co. began construction of a transmission project to improve grid reliability and connect to a proposed power plant in the San Diego region. Sempra anticipates that the project will take 18 months to complete.

Reuters, 13:15 March 8, 2006.

Inadequate Coal Deliveries Could Result in Output Reduction at Basin Electric’s 1,650 Laramie River Plant

According to Basin Electric Power Cooperative, rail deliveries to its 1,650 MW Laramie River Station are inadequate and have resulted in reserve supplies dropping to only a six day supply. Basin has indicated that it may have to reduce output by as much as 20 percent if the situation does not improve. Burlington Northern Santa Fe has stated that it is taking steps to augment existing shipments.

<http://www.casperstartribune.net/articles/2006/03/08/news/wyoming/3773572e140707a18725712b0005b7c7.txt>

Update: APS’s 1,243 MW Palo Verde Unit 1 Nuke to Shut in Arizona This June to Correct Vibration Problem

Unit 1 has been operating at 25 percent capacity since December 25 due to a non-safety related problem with a shutdown cooling line. The problem is that air passing over one of the cooling pipes causes it to vibrate at power rates above 25 percent. The unit will shut for one week beginning March 18 to prepare for the work and will be shut for five weeks during the summer to correct the problem.

<http://biz.yahoo.com/bizj/060307/1237488.html?.v=1>

Update: APS's 1,247 MW Palo Verde Unit 3 Nuke Ramps Up to 77 Percent in Arizona March 8

On Tuesday, the unit was operating at 12 percent. The unit shut over the weekend due to the failure of an isolation amplifier in the control element assembly calculator that looks at the position of the control rods. The device erroneously indicated one of the control rods was out of position.

Reuters, 10:00 March 8, 2006.

Update: Exelon's 1,043 MW Clinton Nuke Ramps up to 96 Percent in Illinois

On Tuesday, the unit was operating at 61 percent power. Over the weekend, the company reduced the unit to about 26 percent to work on the condenser.

Reuters, 07:23 March 8, 2006.

Petroleum

Update: Prudhoe Bay Pipeline Leak Found but Restart Awaits Cleanup

According to state environmental officials, cleanup and emergency response efforts will take precedence before full production can resume at the largest U.S. oil field following a pipeline break and major oil spill that shut 100,000 b/d of production. Winter conditions have helped mitigate environmental impacts from the oil spill. Workers have identified the source of the leak and have recovered 1,097 barrels of crude and snowmelt so far. Production at Prudhoe Bay, which feeds the Trans-Alaska pipeline, averages about 470,000 b/d.

http://today.reuters.com/investing/financeArticle.aspx?type=bondsNews&storyID=2006-03-08T001920Z_01_N07423971_RTRIDST_0_ENVIRONMENT-ALASKA-PRUDHOE-UPDATE-1.XMLhttp://seattlepi.nwsourc.com/local/6420AP_AK_Prudhoe_Spill.html

Houston Ship Channel Reopens after Fog Halts Traffic

Tanker traffic on the Houston Ship Channel, part of the largest U.S. petroleum port, resumed early this morning as visibility improved after dense fog halted navigation March 6, the U.S. Coast Guard said. The Houston Pilots, an association of ship pilots who operate on the 54-mile channel, started boarding on tankers and other deep-draft vessels around 4:50 a.m. local time. The pilots halted boarding at 8:45 p.m. March 6.

Bloomberg, 10:31 March 8, 2006.

Crude Oil Supplies Surge to Seven-Year High

U.S. commercial crude supplies shot to the highest level in nearly seven years last week on sluggish refinery use and high imports, the EIA said on March 8. U.S. oil stocks jumped 6.8 million barrels in the week ended March 3 to 335.1 million barrels, or 10 percent higher than last year.

Reuters, 11:49 March 8, 2006.

OPEC Agrees to Leave Output Unchanged

Meeting in Vienna on March 8, the international oil cartel agreed to maintain current crude output levels at 28 million b/d. In the run-up to the meeting, several ministers made it clear that current oil prices were too high for the cartel to consider cutting production. The group also agreed to meet again on June 1 in Venezuela.

<http://www.platts.com/Oil/News/8319604.xml?p=Oil/News&S=n>

Saudi Arabia's Haradh Field to Add 300,000 b/d to Capacity by April 1

The Haradh field, which will produce light crude oil, will boost the kingdom's capacity to 11.3 million b/d by midyear.

<http://www.marketwatch.com/News/Story/Story.aspx?guid=%7BD661A009%2D77D6%2D4C83%2D85FA%2DDCC11452275%7D&dist=newsfinder&siteid=google&keyword=>

Update: Strikes Halt 144,000 b/d in Ecuador, State of Emergency Declared

A strike by contract workers has slashed output at Ecuador's state oil company Petroecuador by 72 percent to 55,696 b/d, the company said on March 8. Petroecuador's cumulative losses amount to 156,992 barrels as the strike halted operations at 291 oil wells. Petroecuador has warned that production could come to a full stop if the strike is not settled by March 8. The government declared a state of emergency in three Amazon provinces on March 7 to try to control the strike.

Reuters, 11:35 March 8, 2006.

http://ca.today.reuters.com/news/newsArticle.aspx?type=topNews&storyID=2006-03-08T055650Z_01_N07161578_RTRIDST_0_NEWS-ENERGY-ECUADOR-OIL-COL.XML&archived=False

Two Oil Majors Aim to Boost Output by Over 2.6 Million b/d by 2015

Exxon Mobil Corp. and Chevron Corp. are investing billions to significantly boost oil and gas production over the next 10 years. Exxon will spend around \$15 billion per year on oil and gas exploration and production with the goal of increasing output capacity by 2 million b/d by 2015. Exxon currently produces more than 4 million b/d. Chevron is pledging to spend the same amount per year to increase output capacity by 600,000 b/d by 2010. Chevron's production in 2005 was 2.5 million b/d.

<http://biz.yahoo.com/ap/060308/exxon.html?.v=4>

<http://biz.yahoo.com/ap/060307/chevron.html?.v=10>

Militants Appoint Mediator to Seek Resolution to Crisis in Nigeria

Nigerian militants whose campaign of sabotage and kidnapping has cut oil supplies from the world's eighth largest exporter by 450,000 b/d said on March 8 they had appointed a mediator to seek a resolution to the three-month-old crisis. The appointment of ethnic Ijaw activist Oronto Douglas marked a major shift in rhetoric of the Movement for the Emancipation of the Niger Delta, which is holding three foreign oil workers hostage and had promised to stage more debilitating attacks on Nigerian oil facilities.

Reuters, 13:06 March 8, 2006.

Update: Shell Assessing Damage from March 4 Attack in Niger Delta

<http://www.isn.ethz.ch/news/sw/details.cfm?id=15007>

Natural Gas

Nothing to Report.

Other News

Nothing to Report.

Energy Prices

U.S. Oil and Gas Prices			
March 8, 2006			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S. \$/Barrel	60.06	62.01	54.55
NATURAL GAS			
Henry Hub \$/Million Btu	6.47	6.62	6.81

Source: Reuters

Energy Notes

PJM Asks Department of Energy for Two Special Transmission Paths from Appalachia to the East Coast

http://biz.yahoo.com/ap/060307/multistate_power_line.html?.v=2

Chevron Evaluating 200,000 b/d Expansion at Pascagoula Refinery in Mississippi

<http://biz.yahoo.com/ap/060307/chevron.html?.v=10>

Proposed Projects for Red Desert Area of Wyoming Could Mean 9,000 New Gas Wells Over Next 30 to 40 Years.

<http://www.casperstartribune.net/articles/2006/03/07/news/wyoming/524a3cc84f91cdbc8725712a00041bd9.txt>

Iran Won't Cut Exports But Will 'Review Oil Policies' if 'Situation Changes'

http://za.today.reuters.com/news/newsArticle.aspx?type=businessNews&storyID=2006-03-08T115939Z_01_ALL843127_RTRIDST_0_OZABS-NUCLEAR-IRAN-OIL-20060308.XML

Iran Oil Pipelines Catch Fire, Supplies Unaffected

<http://www.alertnet.org/thenews/newsdesk/OL1840542.htm>

Mortar Blast Hits Iraq's Southern Oil Co. Headquarters, Operations Not Affected

Reuters, 01:54 March 8, 2006.

Energy Intelligence Sees Iraqi Oil Exports Slipping Amid Political Turmoil

Energy Intelligence Briefing, March 7, 2006.

Saudi Arabia Boosting Oil Security After Foiled Abqaiq Attack

Reuters, 04:21 March 8, 2006.

Exxon Reluctant to Invest in Venezuela because of Political Environment

Reuters, 11:51 March 8, 2006.

PDVSA Says Western Venezuelan Oil Production Rising

Reuters, 16:38 March 7, 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.

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