



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

ENERGY ASSURANCE DAILY

Friday, March 17, 2006

Electricity

Two New Wind Power Projects in West Virginia to Supply 250 MW to FirstEnergy

FirstEnergy announced it has entered into 20-year agreements to purchase power from two new wind projects being developed by US Wind Force and its joint venture partner Padoma Wind Power. The projects include the 150 MW Mt. Storm project in Grant County and the 100 MW Liberty Gap project in Pendleton County, both of which plan to be operational by 2007.

<http://powermarketers.net/contentinc.net/newsreader.asp?ppa=8knpp%5E%5BgikjnlmWtkh%216%3C%22bfe1%5Dv>

NPPD's 778 MW Cooper Nuke Reduced to 83 Percent in Nebraska March 17

The unit was experiencing problems with its feedwater pumps and production is expected to remain reduced through the weekend, as operators begin a planned control rod adjustment.

Bloomberg, 12:24 March 17, 2006.

Update: Entergy's 684 MW Pilgrim Nuclear Plant Ramps up to 75 Percent in Massachusetts March 17

The unit, which exited an outage and ramped up to 49 percent on March 16, was shut March 13 for repairs after a problem with a controller on a valve in the offgas system was discovered.

Reuters, 07:12 March 17, 2006.

Plum Point Begins Construction on 665 MW Coal Plant in Northeast Arkansas.

Commercial operation at the pulverized coal plant is expected to begin in 2010.

<http://powermarketers.net/contentinc.net/newsreader.asp?ppa=8knpp%5E%5BgjlnproRTkh%216%3C%22bfe1%5Dv>

Petroleum

Update: Prudhoe Bay Pipeline Rupture Caused by Corrosion

Officials at BP announced that the rupture in a pipeline at Prudhoe Bay was caused by internal corrosion. The rupture led to the release of an estimated 265,000 barrels of crude oil. The company also stated that its inspectors knew of corrosion in the line but believed the problem was manageable. Subsequent inspections revealed areas of significant damage elsewhere along the ruptured line that appear to have developed recently. Inspections of other pipelines in the area failed to uncover similar damage. There is no indication when the line will return to service; prior to the discovery of the leak on March 2, the line had been carrying 95,000 b/d.

<http://www.forbes.com/business/feeds/ap/2006/03/15/ap2595232.html>

<http://www.upi.com/Energy/view.php?StoryID=20060316-030027-8898r>

Alon Cuts Charge to Cat Cracker at 70,000 b/d Big Spring, Texas Refinery

The company said it needed to repair a plugged line which would reduce the charge to the cracker to a minimum rate. Alon has not commented on whether production would be affected.
Reuters, 09:03 March 17, 2006.

Update: Shell's UK North Sea Platform to Remain Shut for 3 Weeks

Oil production is expected to remain shut in for three weeks at a the 25,200 b/d Tern Alpha oil platform, which was evacuated on Thursday due to a fire, an industry source said on Friday.
Reuters, 11:20 March 17, 2006.

Agip Oil Output Normal after Protesters Burn Office in Ecuador

Italian oil company Agip, a unit of ENI, said on Thursday its operations in Ecuador were normal after protesters demanding government funds burned a company office in the Amazon province of Pastaza. Agip produces around 25,000 barrels of oil per day in Ecuador.
Reuters, 14:35 March 17, 2006.

Mexico Discovers New Oilfield that May Hold 10 Billion Barrels

Mexico's President Vicente Fox announced the discovery of an oilfield, that may hold as much as 10 billion barrels of oil. Some Mexican energy officials indicate that the discovery, just off the coast in the Gulf of Mexico could be more productive than the Cantarell oil field, Mexico's best producing oil field. However, other analysts and some Pemex officials believe that such statements are premature and say that more exact estimates will take time.
<http://www.upi.com/Energy/view.php?StoryID=20060316-094545-5466r>

Natural Gas

Drifting LNG Tanker Forces Closure of Elba Island Terminal; No Gas Escapes

As a cargo of LNG was being offloaded at the Elba Island terminal in Georgia, the tanker, Golar Freeze, slipped from its moorings. Automatic emergency disconnect couplings cut the flow preventing any discharge of LNG or gas vapors. Although tug boats standing by during the unloading process quickly secured the vessel, the terminal was closed for approximately 36 hours while personnel from the Coast Guard and the Federal Energy Regulatory Commission investigated the accident which apparently resulted from the surge caused by a passing vessel in the channel.

<http://www.savannahnow.com/stories/031506/3715736.shtml>

<http://www.wistv.com/Global/story.asp?S=4641173>

North Coast Gas Plans New Line to Connect Ohio with Chicago Hub

On March 16, North Coast Gas Transmission LLC announced that it plans to construct a new gas transmission line to connect Ohio with the Chicago hub. Construction is expected to begin in late 2007 with completion estimated for late 2008.

http://pro.energycentral.com/professional/news/gas/news_article.cfm?id=6461745

Amerada Hess Restarts Sea Robin Processing Plant in Louisiana

Amerada Hess Corp. announced that it has restarted its Sea Robin gas processing plant in Louisiana, which was shut last September following damage from Hurricane Rita. The plant, which had been processing 439 MMcf/d before the storm, has a capacity of 750 MMcf/d.

Reuters, 11:07 March 17, 2006.

Update: Shippers Nominate 1.2 Bcf/d for Lebanon East Pipeline Expansion Project

Duke Energy Gas Transmission's open season for the project ended March 1. The project will increase pipeline capacity from the Lebanon Hub in western Ohio or other points along the existing mainline system in Ohio and Pennsylvania. The Lebanon Hub is supplied by production areas in Canada and the Rockies, as well as regional storage gas. The expansion will allow Duke Energy to move more of this gas to the growing markets along the Eastern seaboard. The project is targeted for completion in November 2008.

<http://www.chron.com/disp/story.mpl/conws/3728327.html>

Other News

Coal-to-Liquids Seen Producing as Much as 1-2 Million b/d in 2011

<http://www.platts.com/Coal/News/7339995.xml?p=Coal/News&sub=Coal>

Update: State Agency Affirms Decision to Revoke Massey Coal Silo Permit in West Virginia

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=6458201

Energy Prices

U.S. Oil and Gas Prices			
March 17, 2006			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	62.81	59.91	56.40
\$/Barrel			
NATURAL GAS			
Henry Hub	7.17	6.40	7.25
\$/Million Btu			

Source: Reuters

Energy Notes

Utility Crews Restoring Power to 145 Oil and Gas Wells as Grass Fires Continue to Burn in Texas Panhandle

Reuters 14:10 March 17, 2006.

Coast Guard Investigating Sheen from Possible Oil Spill in Seattle's Elliot Bay

Reuters, 12:53 March 17, 2006.

Update: Outer Brewster Island LNG Terminal in Boston Harbor Shelved by Legislative Committee but Proposal Expected to Resurface

http://www.boston.com/news/local/massachusetts/articles/2006/03/16/Ing_plan_for_harbor_is_shelved/

BP's Cannonball Platform Produces First Gas in Trinidad and Tobago

Bloomberg, 09:52 March 17, 2006.

Update: ConocoPhillips' Shuts Down Ekofisk System for 4-Day Work in Norway

Reuters, 06:12 March 17, 2006.

Mauritania's First Oil Development Reaches Full 75,000 b/d Output

<http://www.platts.com/Oil/News/9664536.xml?p=Oil/News&sub=Oil>

U.S. Energy Secretary Forecasts Global 'Rebirth' of Nuclear Power at G8 Meeting

http://today.reuters.com/news/newsArticle.aspx?type=politicsNews&storyID=2006-03-16T160729Z_01_L16149355_RTRUKOC_0_US-ENERGY-NUCLEAR-USA.xml

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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