



# ENERGY ASSURANCE DAILY

Tuesday, May 01, 2007

## ***Electricity***

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### **ISO Says New England Power Sufficient for Summer Demand**

On May 1, ISO New England said New England should have enough power supplies to meet this summer's consumer demand, which is forecasted to reach a record of 27,360 MW in normal circumstances, or up to 29,160 MW in extreme weather conditions. Last year's peak was 28,127 MW.  
Reuters, 13:27 May 1, 2007

### **Both Units Shut at Entergy's 1,635 MW White Bluff Coal-fired Plant in Arkansas May 1**

Entergy officials would not comment on the status of the unit due to competitive reasons.  
Reuters, 14:18 May 1, 2007

### **APS' 1,247 MW Palo Verde Nuke Unit 3 in Arizona Restarts April 30**

The unit restarted late Monday and reconnected to the power grid by today. The unit shut on April 12 and was scheduled to restart shortly thereafter but the outage was extended due to greater than expected damage to a lube oil pump and bearings in the turbine.

Reuters, 20:14 April 30, 2007  
Reuters, 12:47 May 1, 2007

### **PSEG's 1,174 MW Salem Nuke Unit 1 in New Jersey Shut April 30**

Reuters, 08:26 May 1, 2007

### **Exelon's 636 MW Oyster Creek Reactor in New Jersey Shut April 28**

The nuclear reactor shut for maintenance, during which two recirculation pump seals will be replaced. The reactor will be reconnected to the grid on May 3.

Bloomberg News, April 30, 2007

### **NRC to Investigate Recurring Failure at 1,776 MW Farley Nuke Plant in Alabama**

The U.S. Nuclear Regulatory Commission (NRC) is conducting a special investigation at the Farley nuclear plant near Dothan, Alabama, looking closely at a recurring failure in its reactor cooling system. A test conducted earlier this year revealed valve failures on Unit 2's heat removal system, and according to the NRC, the plant had the same problems in the second quarter of 2006.

[http://www.upi.com/Energy/Briefing/2007/04/30/nrc\\_special\\_inspection\\_of\\_farley\\_plant/](http://www.upi.com/Energy/Briefing/2007/04/30/nrc_special_inspection_of_farley_plant/)

### **UniStar Nuclear Identifies Calvert Cliffs in Maryland as Potential New Nuclear Plant Site**

Constellation's existing Calvert Cliffs nuclear plant in Lusby, Maryland has been selected as the potential site for the new nuclear plant. UniStar nuclear is a joint enterprise between Constellation Energy and AREVA Inc., and they filed combined construction and operating license application (COL) with the NRC, which marks the first step in a multi-step process required in COL application process.

[http://pro.energycentral.com/professional/news/power/news\\_article.cfm?id=8211349](http://pro.energycentral.com/professional/news/power/news_article.cfm?id=8211349)

### **Entergy Files Renewal Applications for Indian Point 2 and 3 in New York**

Entergy filed an application with the NRC to renew the operating license for 20 years at Indian Point 2 and Indian Point 3 nuclear plants in Buchanan, New York. In the next two years, the NRC will carry out a comprehensive review and assessment to decide whether the plants should operate for another 20 years.

[http://www.catskillsnews.com/News/IP\\_lic\\_app-01May07.html](http://www.catskillsnews.com/News/IP_lic_app-01May07.html)

### **Update: MMS Details Five Year Plan for Expanding U.S. Offshore Drilling**

The U.S. Minerals Management Service (MMS) announced a new plan calling for 20 lease sales for offshore drilling rights over the next five years. The plan calls for 11 lease sales for the Gulf of Mexico, eight for offshore Alaska and one for the Middle Atlantic region. In announcing the program to expand activity in the Outer Continental Shelf areas, Secretary of the Interior Kempthorne indicated that over the course of the next 40 years, the program could produce 10 billion barrels of oil and 45 trillion cubic feet of natural gas.

<http://www.platts.com/Oil/News/6379734.xml?p=Oil/News&sub=Oil>

[http://www.doi.gov/news/07\\_News\\_Releases/070430a.html](http://www.doi.gov/news/07_News_Releases/070430a.html)

### **MMS Sees Gulf of Mexico Oil Production Rising to 2.1 Million b/d During the Next Decade**

The Minerals Management Service (MMS) of the U.S. Department of the Interior believes that over the course of the next ten years oil production in the Gulf of Mexico will increase from the approximately 1.4 million b/d currently being produced to 2.1 million b/d. MMS singles out continued activity in the deep water Gulf as the key to achieving that level of production.

Reuters, 10:08 May 1, 2007

### **Update: Prudhoe Bay Oil Field Production Returns to Normal Levels After Reduction**

According to a BP spokesman, crude oil production at the 400,000 b/d Prudhoe Bay oil field in Alaska has returned to normal after a week of maintenance on a 90,000 b/d gathering center at the field. Gathering Center 2 on the western side of the field was shut April 23 after a power disruption caused by a crane touching a cable. BP said it elected to carry out some planned maintenance that had been slated for the summer during the shutdown.

Reuters, 12:42 May 1, 2007

### **ConocoPhillips Starting Up New 70,000 b/d Crude Unit at Billings Refinery in Montana**

The company is starting up a newly installed 70,000 b/d crude distillation unit that boosts capacity the refinery's capacity by approximately 10,000 b/d and will allow it to process as much as 50,000 b/d of heavy crude oil from Canada. The refinery, which just ended maintenance, is expected to be operating at full capacity by the end of this week.

Reuters, 12:20 May 1, 2007

### **Unit Shut at ExxonMobil's 150,000 b/d Torrance Refinery in California April 30**

On May 1, the company announced that the shutdown of an unidentified unit at the facility during the previous night had no impact on production.

Reuters, 14:50 May 1, 2007

### **Militants Kidnap Four Chevron Workers in Nigeria, Chevron Shuts 15,000 b/d Offshore Oil Field**

Militants from MEND (Movement for the Emancipation of the Niger Delta) claimed responsibility for the action as it seeks to gain more local control over the region. They also indicated that the kidnapped workers would be released on May 30. As a result of the action, Chevron shut the small offshore field having a 15,000 b/d rate of production.

Reuters, 12:19 May 1, 2007

Reuters, 07:06 May 1, 2007

[http://biz.yahoo.com/ap/070501/nigeria\\_oil\\_unrest.html?v=1](http://biz.yahoo.com/ap/070501/nigeria_oil_unrest.html?v=1)

## **Natural Gas**

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### **El Paso Completes Phase One of the Cypress Pipeline**

The company announced that phase one of the Cypress Pipeline system has been placed in service. The new line adds 220 MMcf/d of capacity from El Paso's Elba Island LNG terminal. The Cypress line extends the Southern Natural Gas system into southern Georgia and northern Florida.

<http://www.pnewsire.com/cgi-bin/stories.pl?ACCT=danews.story&STORY=/www/story/0>

## AGL's Open Season Begins for Golden Triangle Gas 12 Bcf Storage Project in Texas

Golden Triangle Storage, a subsidiary of AGL Resource, announced the beginning of a non-binding open season for its natural gas storage project in Beaumont, Texas. The project will consist of two salt-dome storage caverns having a combined capacity of 12 Bcf. The open season closes May 18.

[http://pro.energycentral.com/professional/news/gas/news\\_article.cfm?id=8209209](http://pro.energycentral.com/professional/news/gas/news_article.cfm?id=8209209)

## Rockies Express Files with FERC for Final Phase of 1,678-Mile Gas Pipeline

On April 30, Rockies Express Pipeline, LLC filed an application with the Federal Energy Regulatory Commission (FERC) for permission to construct the final phase of the proposed 1,678-mile pipeline designed to transport natural gas from the Rocky Mountain production basin to markets in the Midwest and east.

<http://intelligencepress.com/>

## Transwestern's San Juan and Phoenix Laterals Gain EIS Approval

A number of federal agencies, including the Bureau of Land Management and the FERC, along with the Navajo Nation have reported favorably on the environmental impact study (EIS) for the proposed San Juan Lateral, a 24.6-mile, 36-inch loop in New Mexico. The agencies also approved the draft EIS for the proposed Phoenix Lateral, a 259.3-mile 42-inch line in Arizona, along with some additional smaller projects. The company anticipates that, pending final approval, construction will begin this fall and be completed some 12 to 13 months later.

Oil Daily, May 1, 2007

## Other News

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### U.S. Supreme Court Will Not Reconsider Air Pollution Equipment Ruling

On April 30, the U.S. Supreme Court indicated that it would not review the ruling of a lower court that nullified a 2003 rule issued by the Environmental Protection Agency that allowed industry, including power generators to make certain equipment modifications without installing new pollution control equipment. The administration had urged the Court to review the decision on the "Equipment Replacement Provision" case.

<http://www.platts.com/Electric%20Power/News/6379610.xml?p=Electric%20Power/News&sub=Electric%20Power>

Oil Daily, May 1, 2007

## Energy Prices

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U.S. Oil and Gas Prices			
May 1, 2007			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	64.43	64.10	73.75
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	7.70	7.57	6.53

Source: Reuters

## Energy Notes

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### 10,000 Edison Customers Lose Power for 40 Minutes in Ohio April 30

<http://www.indeonline.com/index.php?ID=16088>

### Downed Transmission Line Causes Power Loss to 11,000 Customers in Wisconsin

<http://www.greenbaypressgazette.com/apps/pbcs.dll/article?AID=/20070501/GPG0101/70501002>

### Gulf Ethanol Plans First Ethanol Blending Plant in Houston Area

Reuters, 14:23 May 1, 2007

**Emergency Sirens Accidentally Sound Off at Indian Point Nuke Plant in New York During Silent Test April 27**

<http://www.poughkeepsiejournal.com/apps/pbcs.dll/article?AID=/20070428/NEWS01/704280318>

**U.S. Power Plants Supply of Coal at 37 Percent Above Levels Last Year**

Reuters, 12:00 May 1, 2007

**Russia's Oil Exports to Increase by 80,000 b/d in May**

[http://www.energyintel.com/PublicationHomePage.asp?publication\\_id=2](http://www.energyintel.com/PublicationHomePage.asp?publication_id=2)

**Venezuelan President Again Indicates Sale of Citgo is Under Consideration**

[http://www.energyintel.com/PublicationHomePage.asp?publication\\_id=5](http://www.energyintel.com/PublicationHomePage.asp?publication_id=5)

**Kuwaiti Oil Minister Sees OPEC Output Increase as Unnecessary**

Reuters, 12:47 May 1, 2007

**Nuclear Industry Says Report Shows Nuke Plant Safety Improved in 2006**

<http://www.platts.com/Nuclear/News/6379729.xml?p=Nuclear/News&sub=Nuclear>

**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 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>.

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