



ENERGY ASSURANCE DAILY

Wednesday, May 24, 2006

Electricity

DOE and BLM to Approve Multiple Energy Projects within Next 14 Months

The U.S. Department of Energy and Bureau of Land Management have been ordered by Congress to approve thousands of miles of power lines and pipeline corridors across Federal lands in the West within the next fourteen months. Rapid approval is needed to transport power from coal beds, oil fields, and wind farms in Wyoming, Montana, and Idaho to meet the demand of the Southwest. Upon completion of the region, the project will be replicated across the rest of the U.S. by 2009, as ordered by Congress.

<http://www.chron.com/disp/story.mpl/business/energy/3884350.html>

EEI Says Some U.S. Utilities Have Low Stocks Due to Rail Delivery Problems

The Edison Electric Institute has said that some U.S. Utilities have low stockpiles of coal headed into summer, mostly due to delivery problems from railroad disruptions and delays, and train car shortages. EEI said that some U.S. utilities, which normally carry stockpiles of 60 day, are down to stockpiles of fewer than 30 days. Despite the low stockpiles, EEI did not believe that any regions were at risk for a blackout this summer.

Reuters, 16:02 May 24, 2006

Federal Team Investigating Cause of Emergency Shutdown at Catawba Nuke in South Carolina on May 20

The cause of this past weekend's emergency shutdown of both reactors at Duke Energy's Catawba Nuclear Plant near Rock Hill, South Carolina, is being examined by a team of federal investigators today. For the first time in the plant's 20-year operating history, both reactors shut down automatically following the loss of the plant's off-site power source during the afternoon of May 20.

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=6714479

Update: Minnesota Officials Approve Aquila's 315 MW Plant in Missouri

The new power plant that Aquila, Inc. constructed in Peculiar, Missouri, was approved by the Missouri Public Service Commission on May 23. Aquila had previously been ordered to tear down the plant due to non-compliance with county zoning regulations and a lack of receipt of approval from the county commission. The Commission approved the plant saying that it is ultimately in the public interest.

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=6717954

Uprate Approved by NRC for FPL's 1,155 MW Seabrook Station in New Hampshire

FPL's request for a power uprate for its Seabrook Station near Portsmouth, New Hampshire, has been approved by the Nuclear Regulatory Commission. Following its spring refueling operations, the unit's generating capacity will increase from approximately 1,173 to 1,193 megawatts of electricity.

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=6717505

Update: Dominion's 560 MW Kewunee Nuke Unit in Wisconsin Exits Outage May 24

The unit, which exited and outage and ramped up to 29 percent by early May 24, was shut on April 26 due to a problem with a feedwater pump and main steam turbine.

Reuters, 07:27 May 24, 2006

Petroleum

DOE and BLM to Approve Multiple Energy Projects within Next 14 Months

See story under "Electricity."

Isomerization Unit Restarting at Exxon Mobil's 349,000 b/d Beaumont Refinery in Texas

The unit shut when the tank became over-pressured during the startup and some vapors were routed to the flare. The company expects the unit back soon.

Reuters, 10:31 May 24, 2006

Update: Fire Investigation Complete at Valero's St. Charles Refinery in Louisiana

The U.S. Chemical Safety Board reported that at approximately 11:30 p.m. CDT on May 20, a 12-inch overhead pipe ruptured in the refinery's distillate hydrotreater, a unit that uses hydrogen to remove sulfur from hydrocarbons. The company said earlier that the refinery is producing low sulfur diesel and gasoline at reduced rates. According to Valero's website, the refinery has a total feedstock processing throughput of 250,000 b/d.

Reuters, 13:40 May 24, 2006

Update: Syncrude Canada Doesn't Expect Alberta Refinery and Mine Shutdown to be Protracted

The company shut the oil sands refinery and mine expansion May 18 after strange odors were detected. The expansion, which raised the project's output by 100,000 b/d to 350,000 b/d, had been in operation only 10 days before it was shut. The company says that 80,000 b/d remain affected but does not expect the shutdown to be protracted. The refinery converts tar-like bitumen into synthetic crude oil.

Reuters, 11:49 May 24, 2006

EPA and FBI Investigating Storage Tank Welding Procedures at Trans-Alaska Terminal

Investigations have been re-opened for improper welding procedures used four years ago on storage tanks at the trans-Alaska oil pipeline terminal in Valdez, Alaska. Previous investigations conducted by the state Department of Environmental Conservation concerned improper welding; most of the allegations were dismissed in April 2003. A Joint Pipeline Office employee has reported the possibility of the welds failing, allowing oil to escape into Port Valdez.

<http://www.news-miner.com/Stories/0,1413,113~7244~3317328,00.html>

Update: Ecuador Says It Plans to Take Over Occidental's Stake in Heavy Crude Export Pipeline, Later Backtracks on Statement

Petroecuador, Ecuador's state-owned oil company, said on Tuesday that it would take control of Occidental Petroleum's 14.15 percent stake in the country's only privately-owned pipeline. Today, the company said it has not yet decided if it will seize Oxy's interest in the line. The OCP heavy crude pipeline carries an average of 150,000 b/d and has a capacity of 450,000 b/d. Last week, Ecuador revoked Occidental's Amazon oil contract and Petroecuador took control of operations at the field. Ecuador supplied 2.3 percent of total U.S. oil imports in 2005.

Reuters, 22:14 May 23, 2006

<http://www.montereyherald.com/mld/montereyherald/14657471.htm>

Worker Shortage Hampers Statoil's Oil and Gas Expansions in North Sea

Norway's state-oil company, Statoil, has said that a shortage of specialist personnel is holding back the expansion of the oil and gas industry in the North Sea. Many of the company's most experienced workers are retiring at the same time that the company is planning aggressive investment programs. So far Statoil has not cancelled any projects due to lack of staff or rigs. Norway supplied 1.9 percent of total U.S. oil imports in 2005.

Reuters, 10:57 May 24, 2006

Natural Gas

El Paso Limiting Storage Injections for Some Interruptible Customers

Because storage levels are significantly above last year's levels, El Paso's Southern Natural Gas Co., is limiting injections for some interruptible customers.

Reuters, 11:26 May 24, 2006

LNG Shipping Sector Facing Crewing Crisis - Expert

Keith Bainbridge, director of LNG Shipping Solutions, has warned that rapid expansion of the global liquefied natural gas (LNG) industry is leading to a crewing crisis that could slow the sector's growth. There are currently 200 LNG ships afloat today and 143 carriers are on order; a situation that is stretching the market for shipping crews with specialized knowledge of LNG operations.
Reuters, 12:56 May 24, 2006

Other News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices			
May 24, 2006			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	69.82	69.00	48.65
NATURAL GAS Henry Hub \$/Million Btu	6.27	6.15	6.32

Source: Reuters

Energy Notes

Tesoro Resumes Oil Discharge From Tanker in Hawaii After 3-Day Delay Due to Oil Spill

Reuters, 16:22 May 24, 2006

Norsk Hydro Aims to Extract Extra 40 Million Barrels From Osberg East Field After New Equipment Installed

Reuters, 06:41 May 24, 2006

World Can Handle Loss if Iran Cuts Exports – Bodman

Reuters, 15:57 May 23, 2006

Gulf South to Reduce Injections to Louisiana's Bistineau Storage Field by 150 MMcf/d to Work on Natural Gas Compressor Unit

Reuters, 15:37 May 23, 2006

Update: Open Season Extended for El Paso's Continental Connector

<http://powermarketers.net/contentinc.net/newsreader.asp?ppa=8kowu%5D%5BhiknnknWUie%216C%29bfe1%5Dv>
<http://intelligencepress.com/>

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 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>.

Please direct comments and questions to: ead@oe.netl.doe.gov