



ENERGY ASSURANCE DAILY

Friday, May 26, 2006

Electricity

T-Storm Knocks Out Power to Over 110,000 Customers in Kentucky, Ohio, and Indiana on Evening of May 25

<http://news.enquirer.com/apps/pbcs.dll/article?AID=/20060526/NEWS0103/605260430/1077/rss02>
<http://www.whiotv.com/news/9277943/detail.html?rss=day&psp=news>
<http://www.courier-journal.com/apps/pbcs.dll/article?AID=/20060526/NEWS01/60526006/-1/rss>
<http://www.fox19.com/Global/story.asp?S=4953687&nav=0zHF>

Colorado Utilities Tell U.S. Senate that Railroads Still Cannot Reliably Deliver Coal

The purpose of the hearing was to receive testimony regarding the outlook for growth of coal fired electric generation and whether sufficient supplies of coal will be available to supply electric generators on a timely basis both in the near term and in the future. Several different utilities testified that the railroads cannot reliably deliver coal to power plants. Representatives from Burlington Northern SantaFe and Union Pacific said the railroads have upgraded the tracks out of Powder River Basin. The President of the Association of American Railroads stated that rail traffic is back to normal and problems the utilities mentioned would only be temporary.

<http://biz.yahoo.com/biz/060525/1294315.html?.v=3>
<http://energy.senate.gov/hearings/witnesslist.cfm?id=1915>

PSE&G in New Jersey Says it is Ready for Summer Demand

According to a PSE&G spokesman, increased capital investment gives PSE&G a reserve capacity of more than 25 percent over projected needs.

<http://powermarketers.net/contentinc.net/newsreader.asp?ppa=8knpp%5E%5BhimlppnXUkg%216C%29bfe1%5Dv>

AEP's 528 MW Welsh 2 Coal-fired Unit in Texas to Shut May 26-30

The company is shutting the unit to fix a leak in the feedwater heater.
Reuters, 07:22 May 26, 2006

OPG's 515 MW Pickering 1 Nuke Unit in Ontario Shut May 26

Reuters, 07:48 May 26, 2006

Update: OPG's 490 MW Nanticoke 2 Coal-fired Unit in Ontario Returns May 26

The unit shut on May 25 for a short-term forced outage.
Reuters, 07:51 May 26, 2006

Update: Tucson Electric's 380 MW Springerville 2 Coal-fired Unit in Arizona Returns May 25

Reuters, 15:56 May 25, 2006

Navajo Nation Signs Lease for Planned 1,500 MW Desert Rock Coal-fired Plant in New Mexico

The planned power plant will supply cities in New Mexico, Arizona and Nevada if it passes a number of regulatory hurdles.

Reuters, 13:36 May 26, 2006

U.S. Refining Capacity Up by 259,000 b/d in Q1 2006 – EIA

According to a report released by the U.S. Energy Information Administration, U.S. refineries' total operable crude oil distillation capacity stood at 17.387 million b/d at the end of March. Gulf Coast refineries accounted for 233,000 b/d of the new capacity.

Reuters, 10:47 May 26, 2006

Update: Hydrotreater at Valero's St. Charles Refinery in Louisiana Out 4-6 Weeks

The 48,000 b/d hydrotreater was damaged heavily during a major fire at the refinery on May 20. As a result, production at the 250,000 b/d refinery was cut by 50 percent. Valero expects the crude and vacuum units, coker, naphtha hydrotreater and reformer units to return to service early next week, restoring 25,000 b/d of finished gasoline production and 10,000 b/d of low sulfur diesel production. The fire-damaged hydrotreater is expected to be repaired in the next four to six weeks.

Reuters, 13:33 May 26, 2006

Energy Assurance Daily, May 22, 2006

Valero Restarting 50,000 b/d Coking Unit at Texas City Refinery May 26

The unit will be back to planned rates by the evening of May 27 or May 28.

<http://biz.yahoo.com/biz/060526/1294527.html?.v=1>

PdVSA Restarts 50,000 b/d Cat Cracker at La Isla Refinery on Curacao May 25

The gasoline-making unit was shut in March for planned maintenance and was scheduled to restart on April 17. PdVSA did not say why the restart was delayed and could not say when normal operations would resume. The 335,000 b/d La Isla Refinery, on the island of Curacao in the Caribbean, exports most of its product to the United States and Caribbean Markets.

Bloomberg, 16:52 May 25, 2006

Crude Tanker Loadings at Nigeria's Yoho Oil Field Slowed by Power Problem

According to shipping sources, loadings at ExxonMobil's 150,000 b/d Yoho oilfield in Nigeria are taking five days instead of one because due to a problem with a power generator at the facility. Traders said that two cargoes for June have been cancelled but do not know whether July cargoes will be affected. About 455,000 b/d of oil production has already been shut in Nigeria due to rebel attacks. Nigeria supplied 8 percent of U.S. oil imports in 2005.

Reuters, 13:00 May 26, 2006

Update: Baku-Tbilisi-Ceyhan Pipeline from Azerbaijan Delivers First Crude May 26

ExxonMobil has bought a 2.2 million barrel cargo of Azeri Light crude, the first ever loaded at the Turkish port of Ceyhan, marking the long-delayed launch of the Baku-Tbilisi-Ceyhan (BTC) pipeline. The BTC pipeline allows land-locked Caspian Sea crude to reach world markets without using Russian pipelines or the congested Turkish straits. The pipeline, which is running more than a year behind its completion schedule, will carry 300,000 b/d this year and reach its full capacity of 1 million b/d by 2008.

Reuters, 08:46 May 26, 2006

Update: Tug Boat Pilots' Strike Over in Norway, Crude Loadings Unaffected

The tug boat pilots' union ended a 12-day strike on May 25 with no crude loadings affected at the 223,000 b/d Sture and 400,000 b/d Mongstad export terminals. Norway supplied 2 percent of U.S. oil imports in 2005.

Reuters, 14:15 May 26, 2006

Shi'ite Faction Threatens to Halt Iraq's Basra Oil Exports if Demands Not Met

The locally powerful Fadhila party in Basra, the main southern oil-exporting region of Iraq, has threatened to have members in the oil industry stage a "go-slow" to halt oil exports if it does not win the concessions it wants from Baghdad. Because sabotage has already shut the northern pipeline to Turkey, Basra is Iraq's only export route. Oil contract sales from Iraq have averaged 1.57 million b/d so far this year. Iraq supplied 3.5 percent of U.S. oil imports in 2005.

Reuters, 10:36 May 26, 2006

Reuters, 13:29 May 25, 2006

Update: Ecuador to Continue Crude Sales From Seized Occidental Oil Fields

State oil company Petroecuador has said that it will continue to occasionally sell in the market the 75,000 b/d of crude produced from oilfields recently seized from Occidental Petroleum. Petroecuador said it will continue to sell cargoes of Napo crude to buyers who had contracts with Occidental at the agreed upon price. Ecuador supplied 2.3 percent of U.S. imports in 2005.

Reuters, 18:49 May 25, 2006

Typhoon Chanchu Shuts-in at Least 220,000 Barrels of Crude Production in S. China Sea

The typhoon hit CNOOC's Liuhua field about May 17. At least 10 days of production (22,000 b/d) have already been lost as a result of the storm. It is unknown how much damage was sustained to the production platforms and hence when they would restart operations.

<http://www.platts.com/Oil/News/8457169.xml?p=Oil/News&sub=Oil>

Natural Gas

ConocoPhillips Says Closed Loop Vaporization Model Would Delay and Double Costs of Proposed LNG Terminal in Alabama

<http://intelligencepress.com/>

Other News

Uranium Missing from Pilgrim Nuke Power Plant in Massachusetts

Monitoring rods containing minute amounts of uranium were discovered missing from the plant on Monday. An Entergy spokesman says it is unlikely that they could have successfully been stolen. Alarms would have been set off if they were stolen. They were most likely moved somewhere else inadvertently.

<http://ledger.southofboston.com/articles/2006/05/24/news/news07.txt>

Energy Prices

U.S. Oil and Gas Prices			
May 26, 2006			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	71.40	69.15	50.89
\$/Barrel			
NATURAL GAS			
Henry Hub	5.78	5.79	6.30
\$/Million Btu			

Source: Reuters

Energy Notes

Otter Tail Power Company Wants Extra Coal Train to Maintain 30-day Supply at 455 MW Big Stone Power Plant in South Dakota

Reuters, 12:55 May 26, 2006

Well Blast to Slow Total's 10,000 b/d Joslyn Oil Sands Development in Alberta

Reuters, 16:33 May 25, 2006

Valero Postponing Work at McKee, Houston and Lima Refineries

<http://www.platts.com/Oil/News/8457245.xml?p=Oil/News&sub=Oil>

California's Low Fuel Reserves Criticized

<http://www.latimes.com/business/la-fi-gas25may25,1,7115744.story>

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