



ENERGY ASSURANCE DAILY

Tuesday, June 13, 2006

Major Developments

Update: Explorer Expects to Restart Houston-Tulsa Pipeline by 8:00 pm EST June 13

With the fire extinguished at its tank farm in Glenpool, Oklahoma, Explorer Pipeline Co. said it would begin restarting its 28-inch oil products pipeline from Houston to Tulsa, Oklahoma, early Tuesday evening. Explorer will then restart the 24-inch pipeline out of Tulsa to Wood River, Illinois.

Reuters, 08:31, 08:32, and 08:43 June 13, 2006

Electricity

Update: Tropical Storm Alberto Leaves 16,500 Without Power in Florida June 13

A summary compiled by Florida state emergency officials said that 16,461 customers were out of power in 24 counties as of 7:30 a.m. Tuesday morning. The outage totals include 8,216 Florida Power & Light customers, 5,206 Tampa Electric Co. customers, 2,128 cooperative customers, and 850 Tallahassee municipal customers. Officials expect quick restoration to all affected areas.

<http://www.tallahassee.com/apps/pbcs.dll/article?AID=/20060613/STORM01/60613016>

Heavy Thunderstorm Leaves 61,500 Without Power in North Carolina June 11

Duke Energy reported 55,000 outages and Progress Energy reported 6,500 outages.

<http://powermarketers.net/contentinc.net/newsreader.asp?ppa=8knpp%5E%5BhlImponTTgd%7DGL%7Dbfel%5Dv>
<http://powermarketers.net/contentinc.net/newsreader.asp?ppa=8knpp%5E%5Bhlmouw%5BTgd%7DGL%7Dbfel%5Dv>

Two 500-kV Lines in Northern Arizona Still Shut as Fire Precaution

Two 500-kilovolt lines in Arizona that were shut last week remained shut Monday as a precaution as firefighters battled the Potato Fire, near Heber, Arizona. The lines were not in danger from the fire, but were shut when firefighters did back burns to stop the fire.

Reuters, 15:43 June 12, 2006

Constellation's 620 MW Nine Mile Point Nuke Unit 1 in New York Ramps up to 24 Percent Power

The unit was shut over the weekend to repair a leak in a train valve in the reactor coolant system.

Reuters, 07:14 June 13, 2006

Portland General Electric's Boardman Coal-fired Plant Will be Out for 2-4 Weeks

Mechanical problems were encountered in early June when a balance weight in one of the plant's low pressure turbines came loose. Initial inspections show this weight may have damaged some turbine blades and related components inside the low pressure turbine unit.

Reuters, 14:09 June 13, 2006

AEP's 528 MW Welsh Coal-fired Unit 1 in Texas Shut June 13, 2006

The unit was shut to repair a boiler tube leak.

Reuters, 12:50 June 13, 2006

AEP's 528 MW Welsh Coal-fired Unit 2 in Texas Ramps Up June 13, 2006

The unit was shut to repair a feedwater heater.
Reuters, 12:50 June 13, 2006

Governors Agree to Add 30,000 MW of Clean Power in Western U.S. by 2015

On June 11, Western governors adopted proposals that will pave the way for the addition of at least 30,000 MW of clean power generation by 2015. The governors hope that actions identified will help protect the region from energy shortages and price spikes, and achieve other environmental goals.

<http://www.platts.com/Electric%20Power/News/7523433.xml?p=Electric%20Power/News&sub=Electric%20Power>

Update: Ontario May Add Nuclear Power Plants

The Ontario government said on Tuesday it plans to build new nuclear plants and delay closings of existing coal plants in a bid to solve the province's energy crunch.
Reuters, 12:13 June 13, 2006

Petroleum

Magellan Pipeline Runs Out of Gasoline at Kansas City, Missouri Terminal

A Magellan spokesman says that its Kansas City terminal ran out of gasoline on Monday due to the switchover to summer gasoline from winter formulas. The spokesman said Magellan should have gasoline to supply Kansas City by late Tuesday or early Wednesday.

Reuters, 10:37 and 10:47 June 13, 2006

Buckeye Pipeline Cleans up 100,000 Gallon Gasoline Spill in Illinois

A valve failure released in excess of 100,000 gallons of gasoline into the dike surrounding the tanks. A spokesman for the pipeline said there would be no impact on operations.

Reuters, 10:57 June 13, 2006

Motiva Hydrogen Supplier Fixing Plant-Texas Regulators

Paxair Inc. plans to repair a hydrogen-producing unit at Motiva Enterprises' 285,000 barrel-per-day (bpd) refinery in Port Arthur, Texas, on Tuesday. The steam methane reformer at Motiva tripped off and was shut down because of problems with steam and natural gas valves.

Reuters, 09:49 and 10:02 June 13, 2006

Wynewood, Oklahoma Refinery Runs at Reduced Rates

The refinery is still operating its 55,000 bpd Oklahoma refinery at about 40,000 bpd, following a fire on May 12 that damaged the facility's alkylation unit.

Reuters, 16:06 June 12, 2006

Anadarko Resumes Drilling in Gulf as Threat from Alberto Passes

Operations had been halted Monday on two drill ships in the Eastern Gulf of Mexico.

Reuters, 11:43 June 13, 2006

Qatar Would Consider Joint Venture to Build U.S. Refinery

The Oil Minister of Qatar said there is plenty of crude oil in the world. The problem is a lack of refining capacity. He said Qatar would be interested in a partnership to build a refinery in the U.S.

Reuters, 13:58, 13:59, and 14:00 June 13, 2006

U.S. Expects Attacks on Iraq Oil Infrastructure to Continue Despite Zarqawi Death

On June 11, U.S. Energy Secretary Samuel Bodman said that the United States is not expecting fewer attacks on Iraqi oil infrastructure after the killing of Al Qaeda in Iraq leader Abu Musab al-Zarqawi. Iraq supplied 3.5 percent of total U.S. oil imports in 2005.

<http://www.stuff.co.nz/stuff/0,2106,3699233a12,00.html>

Ecuador Declares ‘Emergency’ for Seized Oxy-Fields June 12

Ecuador’s President has declared an “emergency” for the oil fields that it seized last month from Occidental Petroleum. The emergency declaration ordered the creation of a special commission to establish policy and advise Ecuador’s president and Petroecuador (the state-owned oil company now in control of the fields) on administrative decisions regarding the fields. The commission will also create an account at Ecuador’s central bank to transfer monthly funds to operate the block. The goal of the commission is to maintain production levels of 100,000 b/d. On June 9, Ecuador’s National Hydrocarbons Authority announced that output had declined slightly at the field. Ecuador supplied 2.3 percent of total U.S. oil imports in 2005.

<http://www.marketwatch.com/News/Story/Story.aspx?dist=newsfinder&siteid=google&guid=%7B129C1841-691C-4E2A-B4C0-FBED7EB4819B%7D&keyword=>
<http://www.platts.com/Oil/News/7517839.xml?p=Oil/News&sub=Oil>

Saudi Arabia’s Oil Output Capacity to Expand to 12 Million b/d by 2009 – Official

According to Saudi Aramco’s president, there are currently six major crude projects at various stages of development with a total production capacity of about 3 million b/d. Some of the new capacity will offset natural decline, while the remainder will expand the country’s maximum sustained production capacity to 12 million b/d from its current estimated capacity of 10.5-11.0 million b/d. The president also said that Saudi Arabia will maintain its 1.5 million b/d surplus production capacity. Saudi Arabia supplied 12.2 percent of total U.S. oil imports in 2005.

<http://aawsat.com/english/news.asp?section=6&id=5297>
<http://www.eia.doe.gov/emeu/cabs/saudi.html>

Russia Proposes More Limits on Foreign Control of Oil Fields

Reuters, 11:22, 11:30, and 11:32 June 13, 2006

Natural Gas

FERC Proposes Gas Pipeline Outage Reporting Rules

The proposed rule would require companies to report pipeline damage the results in a loss of or reduction in service and when service has been restored. Under existing regulations, companies are only required to report when they experience a serious service interruption.

<http://www.platts.com/Natural%20Gas/News/7523445.xml?p=Natural%20Gas/News&sub=Natural%20Gas>

Other News

Nuclear Power Industry Facing Labor Shortages, Employee Fatigue

Union officials and nuclear plant workers say that a shrinking pool of skilled employees has led to an increase in overtime, sometimes involving astonishing extra hours of work. The NRC recently released a document saying that nuclear industry work scheduling policies do not ensure that workers are not “impaired by work-related fatigue.”

<http://www.chicagotribune.com/business/chi-0606110327jun11,1,5965771.story?coll=chi-business-hed>

Energy Prices

U.S. Oil and Gas Prices			
June 13, 2006			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	68.50	72.35	55.55
NATURAL GAS Henry Hub \$/Million Btu	6.95	6.35	7.09

Source: Reuters

Energy Notes

Bodman Says Regulatory Intervention May be Needed to Assure Construction of Large Power Plants

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=6787660

More Power Plant Projects Likely on the Way in Wisconsin

<http://powermarketers.net/contentinc.net/newsreader.asp?ppa=8knpp%5E%5Bh|kovqt%5BTgd%7DGL%7Dbfel%5Dv>

Bush, Advisors Discuss Boosting Iraq Oil Output at Camp David

<http://www.stuff.co.nz/stuff/0,2106,3699233a12,00.html>

Mexican Presidential Candidates Debating Direction of Oil Investments and Exports

<http://www.latimes.com/news/nationworld/world/wire/sns-ap-mexico-oil-riches.1.2858792.story?coll=sns-ap-world-headlines>

Pemex Tests Show Over 10 Billion Barrels of Oil Reserves in GOM Deepwater

Reuters, 13:45 June 13, 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 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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