



# ENERGY ASSURANCE DAILY

Tuesday, June 27, 2006

## **Major Developments**

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### **Update: Calcasieu Ship Channel in Louisiana Remains Shut For Sixth Day Coast Guard to Test Channel for Vessel Traffic June 28**

On Tuesday, the Calcasieu Ship Channel, which connects the Gulf of Mexico to Lake Charles, Louisiana, remained shut and the area's three refineries and one LNG terminal remained cut off from waterborne supplies. The Lake Charles LNG terminal, which has not been previously reported in the Energy Assurance Daily, is operated by Panhandle Energy and has a capacity of 1.5 Bcf/d. The U.S. Coast Guard, which shut the channel due to an oil spill on June 21, said that it may send a ship through the channel on Wednesday to test the effect of traffic on the clean up effort. On Monday, the Coast Guard had said the channel would likely remain shut for two to four more days. As of yesterday, about 40 ships have been delayed because of the spill. Lake Charles area refineries make up about 4 percent of total U.S. refining capacity. Traders have blamed the channel closing for helping push crude oil prices above \$72 per barrel. For more information regarding the energy impact of the closing of the Calcasieu Ship Channel please see Energy Assurance Dailies from the past week.

Coast Guard Map: <http://www.d8publicaffairs.com/go/doc/425/123305/>

Coast Guard Press Release: <http://www.d8publicaffairs.com/go/doc/425/123133/>

Reuters, 12:28 and 13:36 June 27, 2006

Bloomberg News, 13:15 June 27, 2006

<b>Refiner Impact of Calcasieu Shipping Channel Closure</b>			
June 27, 2006			
<b>Refinery</b>	<b>Location</b>	<b>Capacity (b/d)</b>	<b>Impact</b>
Citgo	Lake Charles	440,000	"Slight reduction"
ConocoPhillips	Westlake	239,000	"At reduced rates"
Calcasieu Refining	Lake Charles	85,000	Running at 22,000 b/d

Sources: Reuters, 20:26 June 26, 2006

<http://www.calcasieurefining.com/>

<http://www.citgo.com/AboutCITGO/Operations/RefiningRefiningDetails.jsp>

<http://www.conocophillips.com/NR/rdonlyres/C0B96A23-E7DF-495A-9F60-9B73C05B348A/0/downstream.pdf>

## **Electricity**

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### **Update: Heavy Rains Continue to Affect Power in Washington, D.C. Area CIA Headquarters Lost Power for 3 Hours During Storms on June 22**

According to Pepco, Dominion and NOVEC websites, about 5,500 customers were still without power as of 12:30 p.m. on June 27, down from about 13,300 yesterday. It is not clear whether these are lingering outages due to storms over the weekend or new outages due to storms overnight. Apparently, the U.S. Central Intelligence Agency headquarters in northern Virginia lost power for three hours on June 22 due to problems with Dominion Power. The CIA said that outage did not leave the U.S. vulnerable to attack or disrupt the agency's ability to communicate with its operatives around the globe as backup generators kicked in and mainframe computers and telephone lines were unaffected.

Pepco Outage Page: <http://www.pepco.com/home/emergency/maps/zip/default.aspx>

Dominion Outage Page: [http://www.dom.com/news/outage\\_sos.jsp](http://www.dom.com/news/outage_sos.jsp)

NOVEC Outage Page: <http://www.novec.com/map/index.asp>

<http://www.nytimes.com/2006/06/27/us/27rain.html?ex=1151553600&en=1720e82dac87427b&ei=5087%0A>

<http://harpers.org/sb-dark-days-at-the-cia-1151084375.html>

**California ISO Extends ‘Power Watch’ Conservation Appeal Through June 28**

[http://pro.energycentral.com/professional/news/power/news\\_article.cfm?id=6838427](http://pro.energycentral.com/professional/news/power/news_article.cfm?id=6838427)

**Update: TVA’s 1,121 MW Watts Bar Nuke Plant in Tennessee Ramps Up to 87 Percent June 27**

Reuters, 07:22 June 27, 2006

**OPG’s 881 MW Darlington 3 Nuke Unit in Ontario Shut on June 27**

Reuters, 08:31 and 08:52 June 27, 2006

**OPG’s 490 MW Nanticoke 7 Coal-fired Unit in Ontario Restarts June 27**

Reuters, 08:42 June 27, 2006

**OPG’s 494 MW Lambton 4 Coal-fired Unit in Ontario Restarts June 27**

Reuters, 08:34 June 27, 2006

**Dynegy’s 599 MW Roseton Oil/Gas-fired Unit in New York Shut June 26**

Reuters, 08:52 June 27, 2006

**Mirant’s 292 MW Contra Costa 7 Gas-fired Unit in California Shut June 26**

Reuters, 08:52 June 27, 2006

**AES’ 495 MW Redondo 8 Gas-fired Unit in California Shut June 26**

Reuters, 08:52 June 27, 2006

**Elk Hills 321 MW Elk Hills Gas-fired Unit in California Shut June 26**

Reuters, 08:52 June 27, 2006

**Mirant’s 267 MW Pittsburg 5 Gas-fired Unit in California Shut June 26**

Reuters, 08:52 June 27, 2006

**Mirant’s 272 MW Pittsburg 6 Gas-fired Unit in California Shut June 26**

Reuters, 08:52 June 27, 2006

**AEP’s 690 MW Oklaunion Coal-fired Unit in Texas Restarts June 26**

Reuters, 08:52 June 27, 2006

**PPL’s 820 MW Martins Creek Coal-fired Unit in Pennsylvania Shut June 26**

Reuters, 08:52 June 27, 2006

**Allegheny’s 555 MW Ft Martin Coal-fired Unit in Pennsylvania Shut Jun 26**

Reuters, 08:52 June 27, 2006

**LS Power’s Athens Gas-fired Unit in New York Shut June 26**

Reuters, 08:52 June 27, 2006

## ***Petroleum***

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**Chevron Begins Production From Deepwater Field off Angola’s Coast**

The company announced that production has begun at the Lobito-Tomboco field, one of the four fields that make up Chevron’s BBLT Development off Angola’s coast. The project is now producing 88,000 b/d from 4 wells and Chevron will continue to bring additional wells and fields online over the next two years with eventual peak production expected to reach about 200,000 b/d. Angola supplied 3.2 percent of total U.S. oil imports in 2005.

<http://biz.yahoo.com/prnews/060626/sfm097.html?.v=49>

### **Shell's Wilmington, California Refinery Flaring June 27**

According to Reuters, the refinery can process about 156,000 b/d.  
Bloomberg News, 02:20 June 27, 2006

### **Update: ExxonMobil's 563,000 b/d Baytown Refinery in Texas Restarts June 27**

The refinery tripped yesterday.  
Reuters, 13:32 June 27, 2006

### **Valero's Port Arthur Refinery Not Affected by Gas Spill June 26**

Bloomberg News, 03:14 June 27, 2006

### **Shell Deer Park Restarted Catalytic Gasoline Hydrotreater at 334,000 b/d Deer Park Refinery in Texas on June 25**

The unit was shut for 12 hours on Sunday after the failure of a pump.  
Reuters, 19:41 and 20:26 June 26, 2006

### **Canada Oil Sands Production to Challenge OPEC- Congressional Report**

Canadian Oil Sands: A New Force in the World Oil Market - [http://www.house.gov/jec/publications/109/06-26-06\\_oil\\_sands.pdf](http://www.house.gov/jec/publications/109/06-26-06_oil_sands.pdf)

## ***Natural Gas***

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### **Why U.S. Oil & Gas Exploration Companies Have Invested so Much in the Gulf of Mexico**

The reason is that offshore oil drilling is prohibited in virtually all other areas of the United States. Two U.S. Congressmen are proposing to change that.  
Wall Street Journal, June 27, 2006

### **Texas Eastern to Hold Open Season to Move Gas to Northeast, Mid-Atlantic**

The Texas Eastern Market Crossing (TEMAX) project will allow shippers to receive new natural gas supplies from western supply basins at various points along the Texas Eastern system through enhancement of existing mainline infrastructure and incremental expansion, if needed. The nonbinding open season will be held June 26 to July 31 and an in-service date as early as November 2008 is anticipated.  
<http://biz.yahoo.com/prnews/060626/clm058.html?.v=48>

## ***Other News***

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### **NRC Grants License for Nuclear Fuel Plant in New Mexico; First in 30 Years**

The U.S. Nuclear Regulatory Commission has issued its first license for a major commercial nuclear facility in 30 years, allowing Louisiana Energy Services to build its proposed National Enrichment Facility in southeastern New Mexico. Construction on the plant could begin in August and could be ready to sell enriched uranium by 2009. A Kentucky facility owned by the U.S. Department of Energy and operated by a former federal corporation that has been privatized is currently the only source of enriched uranium for commercial power plants in the United States.  
Press Release: [http://www.neftm.com/documents/public/License\\_Release\\_6-23-06.pdf](http://www.neftm.com/documents/public/License_Release_6-23-06.pdf)  
[http://www.washingtonpost.com/wp-dyn/content/article/2006/06/24/AR2006062400838.html?nav=rss\\_nation](http://www.washingtonpost.com/wp-dyn/content/article/2006/06/24/AR2006062400838.html?nav=rss_nation)

## Energy Prices

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U.S. Oil and Gas Prices			
June 27, 2006			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	71.93	69.30	60.65
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	5.97	6.62	7.47

Source: Reuters

## Energy Notes

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### Lightning Knocks Out Power to 7,000 Customers in Downtown Santa Fe June 26

<http://www.freewmexican.com/news/45583.html#>

### DOE Plans to Extend Renewable Energy Incentive Program for 20 Years

<http://www.platts.com/Electric%20Power/News/7557393.xml?p=Electric%20Power/News&sub=Electric%20Power>

### Surging Coal Demand Will Require Substantial New Investment in Supply Chain –Global Energy Consultants

[http://pro.energycentral.com/professional/news/power/news\\_article.cfm?id=6838304](http://pro.energycentral.com/professional/news/power/news_article.cfm?id=6838304)

## 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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*Energy Assurance Daily* provides a summary of public information concerning current energy issues. Published Monday through Friday to inform stakeholders of developments affecting energy systems, flows, and markets, it provides highlights of energy issues rather than a comprehensive coverage. *Energy Assurance Daily* is updated online Monday through Friday after 5:00 p.m. EST. For more information, visit the Infrastructure Security and Energy Restoration (ISER) website at:

<http://www.oe.netl.doe.gov/index.aspx>.

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