



ENERGY ASSURANCE DAILY

Wednesday, July 05, 2006

Major Developments

Update: Citgo's Lake Charles, Louisiana Refinery Resumes Planned Production July 4 Traffic Remains Slow on Calcasieu Ship Channel But Clean Up Going Well

Production at the 430,000 b/d Citgo refinery is still below full capacity due to a unit overhaul scheduled to be completed July 4. Production at the facility was reduced below planned levels during the closure of the Calcasieu Ship Channel, a vital waterway that allows the refinery to import international crude supplies. Neither of the other two Lake Charles refineries have reported status updates. According to the U.S. Coast Guard, tankers and barges were moving at reduced speed into and out of the channel on Tuesday. The Temporary Vessel Service established after the oil spill has been disbanded and local pilots are monitoring commercial ship traffic and all commercial docks have been cleared by the Coast Guard to receive vessels.

Reuters, 19:38 July 4, 2006

U.S. Coast Guard Release: <http://www.d8publicaffairs.com/go/doc/425/123934/>

http://today.reuters.com/stocks/QuoteCompanyNewsArticle.aspx?view=CN&storyID=2006-07-04T215831Z_01_N04219177_RTRIDST_0_ENERGY-CITGO-LAKECHARLES-UPDATE-1.XML&rpc=66

Electricity

Storms Knock Out Power to More than 100,000 in Washington DC Area July 4

The Washington DC area was hit by heavy storms again last night, leaving 15,000 Pepco customers, 8,400 Dominion Power customers and 5,000 Baltimore Gas & Electric customers without power as of 9:45 this morning. Peak outages due to the storm were more than 100,000 customers. Yesterday's outages follow peak outages totaling over 90,000 customers in Washington DC area on Sunday night. Further up the east coast, yesterday's storms left more than 5,000 Delmarva Power customers without power in Delaware.

<http://www.wtopnews.com/index.php?nid=25&sid=840281#>

<http://www.wavy.com/Global/story.asp?S=5113331&nav=23ji>

<http://www.washingtonpost.com/wp-dyn/content/article/2006/07/03/AR2006070300187.html>

<http://abclocal.go.com/wpvi/story?section=local&id=4333946>

Storms Knock Out Power to at Least 51,600 Customers in Ohio, Kentucky and West Va.

Duke Energy reported 18,000 customers without power in the tri-state area yesterday evening, AEP reported 20,000 without power in southern West Virginia this morning, and Bowling Green Municipal Utilities and Warren Rural Electric Cooperative reported 13,600 customers without power in Kentucky overnight.

http://www.wcpo.com/news/2006/local/07/04/storm_damage.html

<http://www.dailymail.com/news/News/2006070517/>

Update: More than 46,000 PECO Customers in Pennsylvania Lost Power During Sunday's Storms

http://www.philly.com/mld/inquirer/news/local/states/pennsylvania/counties/philadelphia_county/philadelphia/14961611.htm?source=rss&channel=inquirer_philadelphia

AZ Public Service's 1,243 MW Palo Verde 1 Nuke in Arizona Set to Return this Week

The unit was shut in mid-March 2006. Even before the shutdown, the unit had some problems. It has not been at full production since October 2005.

Reuters, 12:57 July 5, 2006

AZ Public Service's 1,247 MW Palo Verde 3 Nuke in Arizona Up to 100 Percent July 4

The plant was shut from July 1 because of a minor problem on the nonnuclear side of the plant.

Reuters, 12:57 July 5, 2006

Exelon's 867 MW Dresden 2 Nuke in New Jersey Shut July 4

The plant shut down at 0300 due to a steam leak.

Bloomberg News, 13:38 July 5, 2006

LS Power's 739 MW Moss Landing Gas-fired Unit 7 in California Shut July 4

Reuters, 10:52 July 5, 2006

Sempra's 550 MW Palomar Gas-fired Unit in California Returns to Service July 4

The unit was shut on June 25.

Reuters, 10:43 July 5, 2006

Exelon's 867 MW Dresden Nuke Unit 2 in Illinois Shut July 4

Reuters, 09:58 July 5, 2006

AES's 334 MW Ironwood Gas-fired Unit in Pennsylvania Shut July 5

Reuters, 11:27 July 5, 2006

PG&E Planning Three New Power Projects in Northern California

Pacific Gas & Electric is planning three new power projects in northern California: 1) Spending \$300 million on the 530 MW Contra Costa plant by 2008, 2) building a 657 MW power plant in Colusa County and 3) renovating its outdated Humboldt Bay Power Plant. All three of these new projects will burn natural gas and will produce enough electricity to power up to 1.35 million homes.

http://eastbay.bizjournals.com/eastbay/stories/2006/07/03/story5.html?jst=cn_cn_lk

Petroleum

Crude Oil Sets Record at \$75.40 a Barrel in New York after North Korea Fires Missiles

Bloomberg News, 13:58 July 5, 2006

Exxon Relights Boiler at 349,000 b/d Beaumont, Texas Refinery in July 3

The refinery had shut the FCC carbon monoxide boiler because the boiler flamed out due to heavy rains.

Reuters, 16:36 and 19:38 July 4, 2006

Lightning Ignited Brief Fire on Seal of Gasoline Storage Tank at Murphy's Meraux, Louisiana Refinery July 3

Reuters, 18:22 and 19:38 July 4, 2006

Chevron Reports Flaring at its 260,000 b/d El Segundo, California Refinery Due to Possible Equipment Failure

Reuters, 18:19 July 4, 2006

Update: Exxon Reports Flaring at 150,000 b/d Torrance, California Refinery Between June 30 and July 3

Flaring in this case was the burning of hydrocarbons at the refinery due to some equipment malfunctions. The flaring was done to prevent explosions of the hydrocarbons. Various equipment failures at this refinery caused flaring to occur Friday, Saturday, Sunday, and Monday.

Reuters, 19:38 July 4, 2006

Western Refining Restoring Texas SRU at its 116,000 b/d Refinery in El Paso, Texas

The work to restore a sulfur recovery bed in the unit began on Monday and is scheduled to finish on Wednesday.

Reuters, 17:04 July 4, 2006

Gulf Coast Oil Industry Takes Measures to Improve Hurricane Preparedness

An article in the Miami Herald reports that oil companies have spent months improving their emergency response plans based on lessons learned from last year's experience with Katrina and Rita. New measures include 1) equipping key personnel with satellite phones and BlackBerrys, which allow text messaging even when cell phone towers have been destroyed, 2) sending employees home 5 days instead of 3 days before a storm hits so that they have more time to prepare their homes and families and can return to work and focus on storm plans, 3) issuing special ID badges to critical energy employees in Houston that allow them quicker reentrance to the city in the aftermath of a major storm, and 4) enhancing emergency communication with federal, state and local authorities and creating a clearer energy restoration prioritization system.

<http://www.miami.com/mlid/miamiherald/business/14948030.htm?template=contentModules/printstory.jsp>

Bomb Sets Crude Pipeline Ablaze in Iraq July 3

The pipeline was pumping oil to filter stations in Kirkuk for export to the port of Ceyhan in Turkey. Officials say the explosion will cut production by 30,000 b/d from the northern fields but is not expected to affect oil exports. The bombing follows optimistic statements last week by the Oil Ministry saying that total Iraqi exports had reached the highest level since the U.S.-led invasion began in 2003. Flows on the Iraq-Turkey export pipeline resumed yesterday after being shut over the weekend due to technical problems which were unrelated to the Monday pipeline bombing.

<http://www.ndtv.com/template/template.asp?template=Newiraq&slug=Blast+hits+Iraq+oil+pipeline&id=89759&calid=1>

<http://www.marketwatch.com/News/Story/Story.aspx?dist=newsfinder&siteid=google&guid=%7B3622B294-68E8-4506-AC8C-AF9E21E75328%7D&keyword=>

Surging Canadian Oilsands Output Hurting U.S. Great Plains Oil Production

According to an article in the Calgary Herald, a flood of cheaper Canadian crude oil from Alberta's oilsands has caused some new domestic oil projects to be postponed or reconsidered and in a few cases shut. States particularly affected are Colorado, Montana, North Dakota, Utah, Wyoming and Kansas, which together are responsible for about 10 percent of U.S. oil production and supply roughly three percent of the country's demand for crude.

Producers in the U.S. Great Plains are complaining that refiners are increasingly replacing domestic product with Canadian crude and say that it has become more difficult to ship their oil to other markets because the cheaper Canadian crude is crowding them out of pipelines.

<http://www.canada.com/calgaryherald/news/calgarybusiness/story.html?id=aa85a147-2871-4173-a391-0e66f535d9e2>

Nigeria Oil Outages to Persist but New Fields Filling Gap

Output from ExxonMobil's and Royal Dutch Shell's oil fields have kept Africa's top oil producer pumping more than two million barrels per day. The new fields have helped offset the loss of 455,000 bpd from Shell's Forcados terminal and its nearby EA platform, which were closed in mid-February after a wave of attacks and kidnappings by militants.

Reuters, 10:22 July 5, 2006

Natural Gas

Explosion at Sylvan Lake in Alberta, Canada Cuts Anderson Production

Anderson Energy Ltd. said on Wednesday it would lose up to six million cubic feet per day of natural gas production after a fire and explosion a day earlier forced a halt to production at its Sylvan Lake gas plant in Alberta. Reuters, 14:28 July 5, 2006

Other News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices			
July 5, 2006			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	75.20	72.15	59.59
NATURAL GAS Henry Hub \$/Million Btu	5.70	6.04	7.38

Source: Reuters

Energy Notes

EnCana's Deep Panuke Development Gets Preliminary OK

www.energyintel.com , Oil Daily, July 5, 2006

Southern Iraq Oil Workers Union Plan Strike

<http://www.ifcongress.com/English/News/Jul06/appeal-samir-oil-workers.htm>

Woodside Petroleum Begins 100,000 b/d of Heavy Sweet Production from Enfield Project in Western Australia

<http://www.platts.com/Oil/News/8516057.xml?p=Oil/News&sub=Oil>

Forbes Video: Tapping Russian Oil

http://www.forbes.com/video/?video_url=http://www.forbes.com/video/fvn/business/ms_siboil070306&id=ms_siboil070306&ttitle=Video%3A+Tapping+Russian+Oil&partner=yahootix

Update: Missing Radioactive Parts Found at Pilgrim Nuclear Power Station in Massachusetts

http://www.boston.com/news/local/articles/2006/07/02/radioactive_parts_are_no_longer_missing/

Copper Wire Theft at Substation Knocks Out Power to 7,000 in Nova Scotia

<http://www.cbc.ca/canada/nova-scotia/story/2006/07/04/power-copper.html>

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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