



ENERGY ASSURANCE DAILY

Friday, August 25, 2006

Major Developments

Barges Run Aground Closing Sections of the Mississippi River

The Coast Guard closed two sections of the Mississippi River about midday on Thursday, August 24 and another section later that afternoon following incidents where barges carrying grain, oil, and coal ran aground. Late on Thursday, the southern most one of the three towboats was refloated at Mile Marker 265.5, about 180 miles south of Angola, Louisiana. Early this morning, two sections of the river remained closed; first at Mile Marker 595.5, some 15 miles north of Rosedale, Mississippi, and further north at Mile Marker 626.1, about 40 miles south of Helena, Arkansas. Although some shipping sources anticipated that portions of the river would be reopened sometime today, the Coast Guard, while indicating that efforts to refloat the vessels are underway, declined to provide an exact estimate on the timing of the reopening. Before the entire river can be reopened, dredging at Mile Marker 782 must be completed.

Reuters, 13:05 August 25, 2006

Reuters, 16:54 August 24, 2006

Electricity

First Energy's 821 MW Beaver Valley 1 Nuke in Pennsylvania Shut Aug. 25

The unit will be shut for at least at least 10 days while operators inspect one of the unit's three steam generators. FirstEnergy was alarmed when a monitoring system indicated the possibility of "foreign material" in the steam generator.

Reuters, 19:46 August 24, 2006

Update: Progress Energy's 838 MW Crystal River 3 Nuke in Florida at Full Power Aug. 25

Yesterday, the unit was operating at 75 percent of capacity after exiting an outage. The unit shut on Aug. 19 to fix a feedwater tube leak.

Reuters, 07:31 August 25, 2006

Update: Entergy's 979 MW Indian Point 2 Nuke in New York May Return to Service Aug. 25

The unit shut on Wednesday due to load complications.

Reuters, 19:46 August 24, 2006

Mirant's 624 MW Morgantown 1 Coal-fired Unit in W. Va Shut Aug. 24-25 – Traders

Reuters, 08:45 August 25, 2006

OPG's 490 MW Nanticoke 7 Coal-fired Unit in Ontario Shut Aug. 25

The unit shut for a short-term forced outage by early August 25.

Reuters, 08:12 August 25, 2006

AES' 225 MW Alamosa 4 Gas-fired Unit in California Shut August 25

Reuters, 12:52 August 25, 2006

30,000 Ameren Customers Lose Power in Missouri Capital

Power went out in Jefferson City at about 7:30 am this morning. Ameren said it lost all three feeder lines coming into Jefferson City. Power was restored to most of the city by 8:45 am.

<http://www.columbiatribune.com/2006/Aug/20060825News020.asp>

http://www.newstribune.com/articles/2006/08/25/news_local/128local01.txt

Petroleum

Shell Reports Flaring at its 98,500 b/d Refinery in Wilmington, California Aug. 25

Reuters reported that Shell notified regulators that a flaring incident had taken place because of an equipment shut down at the refinery. A report by Bloomberg News indicated that the FCC unit was shut.

Reuters, 13:13 August 25, 2006

Bloomberg News, 14:00 August 25, 2006

U.S. Interior Dept. Releases Revised Five-Year Offshore Drilling Plan

On August 24, the U.S. Department of Interior released a revised drilling proposal for areas offshore from Virginia, Alaska, and the Gulf of Mexico. In the revised plan, the Mineral Management Service (MMS) is proposing to hold "a special interest sale" off the coast of Virginia in 2011; included in the plan is a buffer zone blocking drilling within 25 miles of the shore. MMS estimates the new areas outlined in its modified leasing plan hold 67.9 billion barrels of oil and 340.4 trillion cubic feet of gas.

http://pro.energycentral.com/professional/news/gas/news_article.cfm?id=7072904

Natural Gas

Southern California Gas Co. Records Record Demand During July Heat Wave

Record demand by utilities to meet cooling needs during the July heat wave in Southern California pushed natural gas consumption to an all-time high for Southern California Gas Company on July 24 of 3.72 Bcf.

Reuters, 14:33 August 24, 2006

ExxonMobil Scraps Proposal to Build LNG Receiving Terminal in Texas

Following BP's announcement earlier this week, Exxon Mobil has announced cancellation of the proposal to build Vista Del Sol LNG receiving terminal in Texas. Both companies have cited that limited available supply and ample regasification capacity at other locations as their reasons.

http://www.energyintel.com/DocumentDetail.asp?document_id=183071

Other News

Tropical Storm Ernesto May Become Hurricane in Gulf of Mexico – Evacuations Contemplated

The fifth named storm of the season, Ernesto is gaining strength and heading toward the Gulf of Mexico. At this time some companies with facilities in the Gulf have begun to plan for the possibility that they will need to evacuate personnel from offshore facilities. BP announced that the company could begin evacuations later today. The path of the storm is projected to take it in a northwesterly direction across the Caribbean, and then either Mexico's Yucatan Peninsula or western Cuba on Tuesday. Then the storm is predicted to move into the southern Gulf of Mexico early Wednesday.

Reuters, 14:06 August 25, 2006

Reuters, 14:09 August 25, 2006

BP to Install Undersea Communication Link for Oil & Gas Platforms in the Gulf of Mexico

BP plans to build the first ever undersea fiber-optic cable system to link oil and natural gas platforms and facilities in the Gulf of Mexico to improve communications and improve operational efficiencies.

<http://intelligencepress.com/subscribers/daily/news/d20060825j.html>

Energy Prices

U.S. Oil and Gas Prices August 25, 2006			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	72.43	71.10	67.29
NATURAL GAS Henry Hub \$/Million Btu	7.48	6.66	9.77

Source: Reuters

Energy Notes

10,000 to 20,000 GRU Customers Lose Power in Gainesville, Florida August 24

<http://www.gainesville.com/apps/pbcs.dll/article?AID=/20060825/LOCAL/208250327>

<http://www.gainesville.com/apps/pbcs.dll/article?AID=/20060824/MISC/60824005>

Update: Following Break-in at Massachusetts LNG Terminal, Governor Orders Safety Review of All LNG Facilities in State

<http://www.platts.com/Natural%20Gas/News/7669061.xml?p=Natural%20Gas/News&sub=Natural%20Gas>

Labor Shortage Affecting US Gulf Shipyards Ability to Meet Increased Demand for Services

Reuters, 13:39 August 25, 2006

Oil Industry Downplays Extent of Pipeline Corrosion – Industry Expert

http://news.yahoo.com/s/afp/20060825/wl_uk_afp/britainusenergyoilpipelineoutputcompanybp_060825091925

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>.

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