



ENERGY ASSURANCE DAILY

Monday, September 18, 2006

Electricity

Connecticut Outage Caused by Excessive Demand, Poor Maintenance

The State's Department of Public Utility Control (DPUC) found in an investigation that the outages Connecticut Light & Power (CL&P) experienced in August were caused by equipment overloads from the prolonged heat, excessive demand, and poor maintenance rather than an aging infrastructure. Nonetheless, the DPUC report not only stressed the importance of proper maintenance but also expressed concern about aging underground cables.

<http://www.platts.com/Electric%20Power/News/7717127.xml?p=Electric%20Power/News&sub=Electric%20Power>

FAA Approves Three Wind Power Projects in Minnesota – No Hazard to Radar Seen

On September 14, the Federal Aviation Administration (FAA) approved three wind power projects in Minnesota. Earlier this year, the FAA had warned more than a dozen wind projects that they might not get safety permits because of a potential impact on military radar. After a review, the FAA worked with the developers to mitigate the problems. The article did not refer to the status of the other projects suspended by the stop work order earlier in the year. (See EAD June 1, 2006, June 5, 2006, and June 16, 2006.)

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7156329

Dominion's 584 MW Kincaid Coal-fired Unit 2 in Illinois Shut Sept. 18

Reuters, 11:10 September 18, 2006

Calpine's 311 MW Los Medanos Gas-fired Unit in California Shut Sept. 18

Reuters, 11:10 September 18, 2006

Update: AEP's 528 MW Welsh Coal-fired Unit 1 in Texas Restarts Sept. 16

The company shut the unit by Sept. 14 to fix a boiler tube leak.

Reuters, 08:22 September 18, 2006

Petroleum

BP Delays Thunder Horse Oilfield Production Until Mid-2008

BP Plc said that it does not expect production from its Thunder Horse field in the Gulf of Mexico to begin until mid-year 2008 due to new technical glitches. The field was originally scheduled to come online at the end of 2005. In a statement, BP said that tests had found metallurgical failure in components of the subsea system. To fix the problem, BP plans to retrieve and rebuild all the sea-bed production equipment. BP's Thunder Horse oil platform is designed to process 250,000 barrels of oil and 200 million standard cubic feet of gas per day, which will make it the biggest producing platform in the Gulf of Mexico.

Reuters, 11:38 September 18, 2006

Bloomberg News, 13:05 September 18, 2006

ConocoPhillips Cuts Crude Rates at 247,000 b/d Sweeny, Texas Refinery Sept. 18

According to a filing with Texas regulators, ConocoPhillips cut crude oil rates at the refinery following mechanical difficulties with a hydrogen unit. The filing says that repairs will take 7 to 10 days. The company also cut rates to the refinery's fluidic catalytic cracker and coking units.

Reuters, 13:58 September 18, 2006

Citgo Shuts New Gasoline Hydrotreater at 165,000 b/d Corpus Christi Refinery Sept. 16

According to filing with Texas regulators, Citgo shut the new gasoline hydrotreater unit due to high pressure in the reactor. The company is investigating the cause of the high pressure and plans to correct the problem.
Reuters, 09:33 September 18, 2006

Update: BP Launches a Comprehensive Review of Global Operations

On September 17, BP said it had launched a root and branch review that will investigate all aspects of safety and operational integrity on all of its global operations. The process is estimated to take about 5-10 years, according to BP spokesperson.

http://biz.yahoo.com/rb/060917/energy_bp_texas.html?v=1

OPEC Report: World Oil Intensity Halved Since 1970

OPEC's latest Monthly Oil Market Report says that the world needs 0.6 barrels of oil to produce \$1,000 worth of goods and services today, compared to 1.2 barrels of oil needed to produce the same amount of goods and services in 1970. The report credits the drop in intensity to energy conservation and switching from oil to other energy sources.

Oil Daily, September 18, 2006.

Natural Gas

Iroquois to Hold an Open Season for Mainline Expansion Project

Iroquois Gas Transmission System, LP is holding an open season this week to test market interest in a mainline expansion project for New York City metropolitan area. The open season will close on October 6 and service is scheduled to begin in November 2008.

<http://intelligencepress.com/subscribers/daily/news/d20060915j.html>

Gas Pipeline Ruptured in Baytown; Residents Evacuated

On September 16, a construction crew ruptured an isobutene gas pipeline in Baytown, Texas. Several homes were evacuated due to danger of explosion. Repair crews estimated that the pipeline would be repaired by sometime on September 17.

<http://www.chron.com/disp/story.mpl/headline/metro/4192753.html>

Other News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices			
September 18, 2006			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	63.84	65.84	62.91
\$/Barrel			
NATURAL GAS			
Henry Hub	5.02	5.31	11.25
\$/Million Btu			

Source: Reuters

Energy Notes

10,000 Xcel Customers in Minnesota Without Power due to an F2 Tornado

<http://www.chicagotribune.com/news/nationworld/sns-ap-deadly-storm,1,2243625.story?coll=chi-news-hed>

NRC Approves Tennessee Valley Authority Request to Terminate Bellefonte-1, -2 Permits in Alabama

<http://www.platts.com/Nuclear/News/7720658.xml?p=Nuclear/News&sub=Nuclear>

DTE Energy Resumes Production at Five Synfuel Facilities

<http://biz.yahoo.com/prnews/060918/nym064.html?.v=54>

Wisconsin Power & Light to Build a Wind Farm to Supply Power to 20,000 Homes

<http://powermarketers.net/contentinc.net/newsreader.asp?ppa=8knpp%5E%5BipvqnooVTli%27%40%3E%20bfe1%5Dv>

ConocoPhillips Exec: Global Competition, Market Dynamics Slow LNG Imports to the U.S.

<http://intelligencepress.com/subscribers/daily/news/d20060915g.html>

Canada's National Energy Board Signs MOU, Recognizing NERC as the Electric Reliability Organization for North America

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7158437

Maintenance Work at Venezuela's Amuay Refinery Won't Affect Supplies – PdVSA

Reuters, 14:40 September 16, 2006

Yemen Security Forces Break Up al Qaeda Cell Behind Sept. 15 Oil Attacks

Reuters, 14:45 September 16, 2006

Russia's Resource Ministry Cancels Shell's Sakhalin-2 Oilfield Ecological Permit but Development Won't Close

Reuters, 09:02 September 18, 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

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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