



ENERGY ASSURANCE DAILY

Tuesday, September 26, 2006

Electricity

Update: Progress Energy's 900 MW Brunswick 2 Nuke Unit in N. Carolina at 90 Percent Sept. 26

The U.S. Nuclear Regulatory Commission reported the unit as operating at 96 percent after being reduced over the weekend for a control rod adjustment. The unit was operating at 61 percent yesterday.

http://today.reuters.com/news/articleinvesting.aspx?view=CN&storyID=2006-09-26T110751Z_01_N26326652_RTRIDST_0_UTILITIES-PROGRESS-BRUNSWICK.XML&rpc=66&type=qcna

Update: FPL Energy's 592 MW Duane Arnold Nuke Unit in Iowa Ramps Up to 96 Percent Sept. 26

The U.S. Nuclear Regulatory Commission reported the unit as operating at 96 percent capacity after being recently reduced to fix problems with the recirculation system of the reactor.

http://today.reuters.com/news/articleinvesting.aspx?view=CN&storyID=2006-09-26T111846Z_01_N26327168_RTRIDST_0_UTILITIES-FPL-DUANEARNOLD.XML&rpc=66&type=qcna

CMS' 820 MW JH Campbell Coal-fired Unit 3 in Michigan Shut Sept. 26 -Traders

According to traders, the unit shut for tube leak repairs, which usually take about three or four days to fix. Reuters, 10:13 September 26, 2006

Xcel's 346 MW Harrington Coal-fired Unit 1 in Texas Shut Sept. 26

Reuters, 09:12 September 26, 2006

NStar's Opening of 345,000-volt Underground Power Line in Massachusetts Delayed

The opening of the biggest underground high-voltage line in U.S. history, NStar's 345,000-volt power line, has been delayed due to problems in two 30-foot stretches of cable. Electricity was scheduled to start flowing through the new line in mid-July, but a company spokesperson says that they now hope to have electricity flowing through the line to one part of Massachusetts by mid-October and to South Boston by early December. When in service, the new line will dramatically improve high-voltage power capacity throughout metropolitan Boston and allow more power to flow into the region from Rhode Island and southeastern Massachusetts.

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7196754

EI Commends FERC for Approving Spare Transformer Equipment Program (STEP)

The Edison Electric Institute (EEI) commends the Federal Energy Regulatory Commission (FERC) for approving an electric industry program called Spare Transformer Equipment Program (STEP), which will allow for quicker restoration of the nation's transmission system in the event of a terrorist attack. The program involves a sharing arrangement, where the inventory of spare transformers is increased, and the process is streamlined for transferring those transformers to utilities that need them in the event of a transmission outage caused by a terrorist attack.

<http://biz.yahoo.com/prnews/060925/dcm064.html?.v=35>

About 27,500 Hydro One Customers in Ontario Still Without Power as of Noon Sept. 26

Hydro One crews continue to work to restore power to customers after severe wind gusts hit on September 24, knocking down large trees down onto power lines and breaking poles and cross arms. According to Hydro One's website, about 27,500 customers remained without power at noon today.

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7195772
http://www.hydroonenetworks.com/en/about/our_services/power_outages/default.asp

IESO Says Ontario Power Supply OK for Next 18 Months

The Independent Electricity System Operator said that Ontario had sufficient resources to meet forecast demand over the next 18 months, but will need to continue relying on imports during extreme weather conditions.
Reuters, 12:02 September 26, 2006

Petroleum

Update: BP Restores 100,000 b/d of Production from East Prudhoe Bay Field

According to BP officials, output from Prudhoe Bay's Eastern Operating Area has ramped up to 100,000 b/d and is on track to reach 150,000 b/d by the weekend. The restart will allow BP to run several tests on a severely rusted pipeline. The tests, which could take about a month, will determine whether BP can continue operations on the line. If test results are not favorable, BP will shift production through a system of bypass lines that could be ready by the end of October.

Reuters, 13:05 September 26, 2006

Bloomberg News, 05:09 September 26, 2006

Fire Shuts CCU at 188,000 b/d Chalmette, Louisiana Refinery Sept. 25

According to Chalmette Refining, a joint venture between Exxon Mobil and PdVSA, a gasoline-producing catalytic cracking unit was shut when a fire broke out Monday afternoon. The fire was put out within twenty minutes, before it could cause any damage. The company is investigating the cause of the fire and has not set a time or date to restart the unit.

Reuters, 19:22 September 25, 2006

Bloomberg News, 02:47 September 26, 2006

Western Refining Shuts Naptha Unit at 116,000 b/d El Paso, Texas Refinery

According to a filing with Texas regulators, the company shut the naptha hydrotreater for repairs to fix a leak on an exchanger.

Reuters, 11:42 September 26, 2006

All Units Shut at PdVSA's 130,000 b/d El Palito Refinery in Venezuela Sept. 26

According to PdVSA all units were back up after shutting early this morning due to a power outage. The El Palito refinery mostly supplies Venezuela's domestic market but occasionally exports products to the United States.

Reuters, 12:18 September 26, 2006

Reuters, 13:48 September 26, 2006

Natural Gas

Exxon Cancels Plans for Second LNG terminal in Texas

An Exxon spokesperson recently confirmed the cancellation of the company's plans to build a second LNG terminal in Texas, citing supply issues with building two terminals. Exxon already has one LNG terminal, Golden Pass, under construction at Sabine Pass near Port Arthur. The capacity of Golden Pass will expand from 1 Bcf to 2 Bcf per day. Operations of Golden Pass are expected to begin in 2009.

http://today.reuters.com/news/articleinvesting.aspx?view=CN&storyID=2006-09-25T212953Z_01_N25305017_RTRIDST_0_ENERGY-EXXON-LNG-UPDATE-1.XML&rpc=66&type=qcna

Other News

Nothing to report.

Energy Prices

| U.S. Oil and Gas Prices September 26, 2006 | | | |
|--|--------------|-----------------|-----------------|
| | Today | Week Ago | Year Ago |
| CRUDE OIL West Texas Intermediate U.S. \$/Barrel | 60.28 | 62.57 | 65.98 |
| NATURAL GAS Henry Hub \$/Million Btu | 4.31 | 5.02 | 14.84 |

Source: Reuters

Energy Notes

FERC Issues Certificate for Algonquin Lateral in Cape Cod, Massachusetts

<http://intelligencepress.com/>

Transcanada, Northwest Natural Holding Open Season for 220-Mile Pipeline to Serve Columbia River LNG

<http://powermarketers.net/contentinc.net/newsreader.asp?ppa=8kowu%5D%5BjiktxyvWUkg%27%40%3E%20bfe%5Dv>

Kinder Morgan Illinois Seeks Approval as Interstate Pipeline

<http://powermarketers.net/contentinc.net/newsreader.asp?ppa=8kowu%5D%5BjiktxyvWUkg%27%40%3E%20bfe%5Dv>

OPEC Voicing Concern Over Oil Price Slide

Reuters, 12:04 September 26, 2006

Lower Oil Price Unlikely to Upset Biofuels – Oil World

Reuters, 09:33 September 26, 2006

Russia Delays Shell Sakhalin-2 Cancellation Threat to Oct. 20

Bloomberg News, 10:10 September 26, 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.

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