



# ENERGY ASSURANCE DAILY

Tuesday, October 10, 2006

## Major Developments

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### **Trans-Alaska Pipeline Shuts October 10 Due to Telecom Failure**

#### **All Alaskan Oil Fields Curtailing Production**

The Trans-Alaska Pipeline System (TAPS) has been shut down due to a disruption of its telecommunications services caused by flooding in Valdez, Alaska. The shutdown is forcing all Alaskan oil fields to curtail production, not just Prudhoe Bay. The disruption makes it impossible to remotely shut valves on the pipeline. Before the disruption about 750,000 b/d of crude oil flowed through TAPS. A spokesman for Alyeska (the company that operates TAPS) said the company was trying to get to problem resolved today. Rain in Valdez has slowed today, but continues.

<http://www.chron.com/disp/story.mpl/chronicle/4249021.html>

Reuters, 14:26 and 15:13 October 10, 2006

[http://today.reuters.com/news/articleinvesting.aspx?type=bondsNews&storyID=2006-10-](http://today.reuters.com/news/articleinvesting.aspx?type=bondsNews&storyID=2006-10-10T192058Z_01_N10369538_RTRIDST_0_ENERGY-ALASKA-DISRUPTION-UPDATE-1.XML)

[10T192058Z\\_01\\_N10369538\\_RTRIDST\\_0\\_ENERGY-ALASKA-DISRUPTION-UPDATE-1.XML](http://today.reuters.com/news/articleinvesting.aspx?type=bondsNews&storyID=2006-10-10T192058Z_01_N10369538_RTRIDST_0_ENERGY-ALASKA-DISRUPTION-UPDATE-1.XML)

<http://www.adn.com/front/story/8288797p-8185319c.html>

### **Prudhoe Bay Oil Field Shuts October 9 Due to Power Failure**

#### **Production at 20,000 b/d, Down from 350,000 b/d**

High winds caused BP to lose power Monday evening at its Prudhoe Bay oil field, forcing the field to curtail production by 330,000 b/d. A BP spokesman said that dust and dirt blown by high winds built up on high voltage insulators on power lines, causing a short just before 3 a.m. Production for Prudhoe Bay is down to 20,000 b/d as a result. Production was approximately 350,000 b/d before the power failure. Power is expected to be restored today, allowing production to resume. However, the TAPS telecommunications problem must be fixed before oil is allowed to flow through the pipeline to Valdez. See previous story.

<http://www.chron.com/disp/story.mpl/chronicle/4249021.html>

Reuters, 14:26 October 10, 2006

[http://today.reuters.com/news/articleinvesting.aspx?type=bondsNews&storyID=2006-10-](http://today.reuters.com/news/articleinvesting.aspx?type=bondsNews&storyID=2006-10-10T192058Z_01_N10369538_RTRIDST_0_ENERGY-ALASKA-DISRUPTION-UPDATE-1.XML)

[10T192058Z\\_01\\_N10369538\\_RTRIDST\\_0\\_ENERGY-ALASKA-DISRUPTION-UPDATE-1.XML](http://today.reuters.com/news/articleinvesting.aspx?type=bondsNews&storyID=2006-10-10T192058Z_01_N10369538_RTRIDST_0_ENERGY-ALASKA-DISRUPTION-UPDATE-1.XML)

## Electricity

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### **Dominion's 799 MW Surry Nuke Unit 2 in Virginia Shut Oct. 7**

Company officials said that the unit shut due to a problem with backup safety generators and a turbine. The company would not say when the unit would return to service. Electricity traders estimate the plant will be shut for 10 days.

Reuters, 20:44 October 9, 2006

[http://biz.yahoo.com/ap/061008/reactor\\_shutdown.html?v=1](http://biz.yahoo.com/ap/061008/reactor_shutdown.html?v=1)

### **TXU's 750 MW Martin Lake Coal-fired Unit 3 in Texas Shut Oct. 8**

Reuters, 09:38 October 10, 2006

### **Complete's 259 MW La Paloma Gas-fired Unit 1 in California Shut Oct. 9**

Reuters, 09:38 October 10, 2006

### **LS Power's 336 MW Morro Bay Unit 4 in California Shut Oct. 9**

Reuters, 09:38 October 10, 2006

## **Sempra's 565 MW Palomar Gas-fired Unit in California Shut Oct. 9**

Reuters, 09:38 October 10, 2006

## **Mirant's 317 MW Pittsburg Gas-fired Unit 6 in California Shut Oct. 9**

Reuters, 09:38 October 10, 2006

## **33,000 Customers Lost Power on Hawaii's Big Island**

On October 6, about 33,000 electricity customers lost power when two generators – one unit from Hamakua Energy Partners and another from the Keahole Power Plant – unexpectedly tripped offline. The power companies are investigating the cause of the blackout.

<http://the.honoluluadvertiser.com/article/2006/Oct/07/In/FP610070333.html>

## **Energy Secretary Bodman Extends Emergency Order for Mirant Coal-Fired Plant to Operate in Virginia**

U.S. Department of Energy (DOE) Secretary Samuel Bodman has extended the emergency order to operate Mirant's 480 MW plant in Alexandria, Virginia until December 1, 2006. Mirant planned to shut the plant last year after the company failed to reach an agreement with the Virginia Department of Environmental Quality regarding emissions concerns. At the time, Secretary Bodman ordered that the plant be ready to operate as needed. Bodman has now extended this order, saying the plant is one of only three sources of electricity to central Washington D.C. New power sources are not scheduled to come on line until next summer. Bodman also said DOE expects to soon complete an environmental analysis of the Mirant's coal-fired plant that the department promised in January.

<http://www.platts.com/Electric%20Power/News/6302849.xml?p=Electric%20Power/News&sub=Electric%20Power>

## **AEP Ohio Files Reliability Plan with Public Utilities Commission**

On October 10, AEP Ohio filed a plan at the Public Utilities Commission of Ohio (PUCO) to improve distribution system reliability. The plan proposes to work on vegetation management, overhead line inspection, equipment and hardware replacement, and infrastructure upgrades, to help reduce outages and improve service reliability for AEP Ohio customers.

<http://www.bizjournals.com/columbus/stories/2006/10/09/daily2.html?t=printable>

<http://biz.yahoo.com/prnews/061006/clf076.html?.v=2>

## **Peach Bottom Nuke in Pennsylvania Briefly on Alert for Cooling System Leak**

Around 6 p.m. on October 7, Peach Bottom Atomic Power Station declared an emergency when it discovered a leak in a cooling system pipe during testing. The emergency alert was cancelled less than 12 hours after declaration. There was no release of radiation or threat to the safety of station workers from this incident, according to a company spokesperson.

<http://local.lancasteronline.com/4/26576>

## ***Petroleum***

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### **EPA Administrator Says Ultra Low Sulfur Rules Working**

U.S. Environmental Protection Agency regulations require that at least 80 percent of the highway diesel sold at the pump have a sulfur content of no more than 15 parts per million after October 15, 2006. The EPA Administrator says that industry is on target to deliver about 90 percent of the on highway diesel at the new specification by October 15. Current regulations require that all on-highway diesel contain no more than 500 parts per million. Bloomberg News, 14:22 October 10, 2006

### **Alyeska to Investigate Trans-Alaska Pipeline Vibrations**

A former Alyeska employee told U.S. Senator Lisa Murkowski that there were sporadic vibrations in a steep section of the Trans-Alaska oil pipeline (TAPS) after North Slope production dipped below 600,000 b/d in August due to the partial shutdown of the Prudhoe Bay oilfield. The company spokesperson for Alyeska said the company had addressed this issue immediately after BP announced its plan for shutdown, and that the vibrations were very minimal and posed no risk of damage to the pipeline's support and beams. He stressed that the company's engineering staff was prepared for this situation.

<http://www.columbian.com/news/APStories/AP10102006news66073.cfm>

## Natural Gas

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### FERC Approves North Baja Pipeline Expansion in California, Arizona

The U.S. Federal Energy Regulatory Commission gave a preliminary approval to North Baja Pipeline to expand its pipeline system in California and Arizona. The proposed 126-mile expansion will be built in three phases and is expected to be brought online between 2007 and 2010. North Baja is the U.S. segment of an international pipeline which plans to move gas from LNG terminals proposed for Baja California.

<http://www.platts.com/Natural%20Gas/News/6303411.xml?p=Natural%20Gas/News&sub=Natural%20Gas>

### Underground Gas Lines in Denton, Texas Cause Safety Concern

The unknown locality of underground gas pipelines is causing safety concerns in Denton, Texas where more than 2,000 gas wells are connected by miles of pipelines. Energy companies are not required to record pipelines with Denton County. County officials are questioning whether pipeline growth to the west in addition to current web of pipelines is an accident waiting to happen. On October 4, dozens of homes were evacuated in Wise County due to a 24-inch transmission pipeline rupture. The incident is currently being investigated.

[http://www.dallasnews.com/sharedcontent/dws/news/localnews/stories/DN-gasmaps\\_08wes.ART0.North.Edition1.3e119bd.html](http://www.dallasnews.com/sharedcontent/dws/news/localnews/stories/DN-gasmaps_08wes.ART0.North.Edition1.3e119bd.html)

## Other News

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Nothing to report.

## Energy Prices

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U.S. Oil and Gas Prices			
October 10, 2006			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> West Texas Intermediate U.S. \$/Barrel	58.50	58.82	60.71
<b>NATURAL GAS</b> Henry Hub \$/Million Btu	5.16	4.01	13.29

Source: Reuters

## Energy Notes

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### Ameren Warns Illinois Bill Passage Would Cause Gas, Power Disruptions

<http://intelligencepress.com/subscribers/daily/news/d20061010e.html>

### Analysts Predict More Natural Gas Shut-Ins

<http://intelligencepress.com/subscribers/daily/news/d20061010f.html>

### Alaska Creates Lease-Monitoring, Engineering-Coordinating Office

<http://intelligencepress.com/subscribers/daily/news/d20061010h.html>

[http://www.energyintel.com/DocumentDetail.asp?document\\_id=186516](http://www.energyintel.com/DocumentDetail.asp?document_id=186516)

### NRC Staff Proposes Security Assessments for New Nuclear Plants

<http://www.platts.com/Nuclear/News/7772975.xml?p=Nuclear/News&sub=Nuclear>

### PNM Resources Generating Station Expansion Plan Approved in New Mexico

[http://biz.yahoo.com/ap/061006/pnm\\_regulatory.html?.v=1](http://biz.yahoo.com/ap/061006/pnm_regulatory.html?.v=1)

## 16,000 Customers Lost Power in Maui, October 6

<http://the.honoluluadvertiser.com/article/2006/Oct/07/In/FP610070333.html>

## Utilities and Terrorism

[http://energycentral.fileburst.com/EnergyBizOnline/2006-5-sep-oct/Energy\\_Business\\_Terrorism.pdf](http://energycentral.fileburst.com/EnergyBizOnline/2006-5-sep-oct/Energy_Business_Terrorism.pdf)

## 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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