



ENERGY ASSURANCE DAILY

Monday, November 06, 2006

Electricity

Failed Transmission Line Knocks Out Power to 30,000 CL&P Customers in Connecticut November 5

Nearly 30,000 Connecticut Light & Power customers lost power for more than three hours Sunday night when a high transmission line in Enfield, Connecticut failed.

<http://www.courant.com/news/local/hc-powerout1106.artnov06.0.1709878.story?coll=hc-headlines-local>
<http://www.wtnh.com/Global/story.asp?S=5636872&nav=3YeX>

Update: Wind Industry Confident that Radar Concerns Won't Curb Wind Farm Development

The American Wind Energy Association (AWEA) says that growth of the U.S. wind power industry should not be inhibited by U.S. Defense Department (DOD) concerns that high-standing turbines can interfere with radar. A recently released DOD report says that danger to radar systems are at present only potential and will remain so as long as wind farms are not built in the line of sight of a radar installation. Ten to 15 wind power projects in the Midwest, which combined can produce more than 1,000 MW, were put on hold until the DOD report was released. The DOD has not yet rejected a wind project proposal for being in a radar installation's line of sight.

Reuters, 13:27 November 5, 2006

Blackouts Affect Millions in Western Europe November 4

An estimated 10 million people across Western Europe lost power on Saturday. Although experts have not yet determined the cause of the blackout, a German electricity company, E.On, said that switching-off a 380 kV line in northwest Germany may have triggered the chain-reaction blackout. E.On said it shut down the high-voltage line, which runs over a river, so that a ship could pass safely below. The power grid became overloaded and 30 minutes later power went out to customers in several European countries. A spokesman for RWE AG, another German power firm, said the supply-demand imbalance caused substations across Europe to trip offline to maintain supplies. Power was restored in most places within one hour. The blackouts raised questions about the reliability of Europe's interconnected power grids. A similar incident affected North America in August 2003, when a downed power line in Ohio helped trigger a blackout that cascaded across the northeastern United States and into Canada, affecting some 50 million people.

<http://www.chicagotribune.com/news/nationworld/chi-0611060215nov06.1.6836401.story?coll=chi-newsnationworld-hed>

http://news.monstersandcritics.com/europe/article_1218816.php/Cause_sought_for_Europe_power_outage_that_began_in_Germany

Update: Exelon's 810 MW Three Mile Island Nuke Unit in Pennsylvania Exits Outage November 6

A faulty instrument reading triggered an automatic shutdown on November 2.

Reuters, 07:31 November 6, 2006

Update: CMS Energy's 767 MW Palisades Nuke Unit in Michigan Back at Full Power November 6

The unit exited an outage and ramped up to full power Monday after being shut on November 1 due to a service leak in the cooling coil of a containment air cooler.

Reuters, 07:48 November 6, 2006

FPL's 562 MW Duane Arnold Nuke Unit in Iowa Shut November 6

The unit shut from full power during a routine monthly test of the turbine.

http://today.reuters.com/news/articleinvesting.aspx?view=CN&storyID=2006-11-06T164756Z_01_N06241454_RTRIDST_0_UTILITIES-FPL-DUANEARNOLD-UPDATE-2.XML&rpc=66&type=qcna

OPG's 494 MW Lambton Coal-fired Unit 1 in Ontario Shut November 6

Reuters, 10:07 November 6, 2006

OPG's 490 MW Nanticoke Coal-fired Unit 8 in Ontario Shut November 6

The unit shut for short-term work.

Reuters, 10:07 November 6, 2006

Reuters, 14:12 November 6, 2006

TXU's 750 MW Martin Lake Coal-fired Unit 2 in Texas Shut November 5

Reuters, 10:07 November 6, 2006

Calpine's 281 MW Delta Gas-fired Unit in California Shut November 5

Reuters, 10:07 November 6, 2006

NRG/Dynegy's 335 MW El Segundo Gas-fired Unit in California Shut November 5

Reuters, 10:07 November 6, 2006

AES's 225 Huntington Gas-fired Unit 1 in California Shut November 5

Reuters, 10:07 November 6, 2006

LS Power's 337 MW Morro Bay Gas-fired Unit 3 in California Shut November 5

Reuters, 10:07 November 6, 2006

Allegheny's 640+ MW Harrison Coal-fired Unit in West Virginia Shut November 3

Reuters, 10:07 November 6, 2006

Petroleum

Midwest Experiencing Continuing Outages of Ultra-Low-Sulfur Diesel – OPIS Alert

An OPIS alert reports that U.S. Midwest (PADD 2) petroleum product markets are experiencing widespread outages of ultra-low-sulfur diesel (ULSD). The outages began in October when U.S. Environmental Protection Agency regulations regarding ULSD took affect at retail locations across the United States. Problems have continued into November and are affecting a number of States including Kansas, Nebraska, Missouri, Minnesota, Wisconsin, South Dakota, North Dakota and Iowa. Some terminal points are reporting total outages of x-grade ULSD and do not expect to receive new supplies until next week. Other terminals are unsure when new supplies will arrive. Outages of y-grade ULSD No. 1 oil (which is blended into ULSD when the outdoor temperatures get colder) are more widespread than outages of x-grade ULSD. A few terminal points are also reporting shortages of premium and regular gasoline.

OPIS Alert, 02:26 November 3, 2006

Traders See Midwest ULSD Tightness Easing as Refineries Return

According to traders, supply tightness in Midwest ultra-low-sulfur diesel (ULSD) markets should ease as additional Midwest refineries return from planned maintenance programs. Expected returns include ConocoPhillips's 306,000 b/d Wood River, Illinois refinery and the alkylation unit at BP's Whiting, Indiana refinery. Citgo's Lemont, Illinois refinery returned to service last week, as did several Gulf Coast refineries. Flint Hills's 310,000 b/d Corpus Christi, Texas refinery began restarting today.

Reuters, 12:24 November 6, 2006

OPIS Alert, 10:10 November 6, 2006

Update: BP Whiting, Indiana Refinery Bomb Threat Confirmed a Hoax

The bomb threat that was called into BP's 420,000 b/d Whiting, Indiana refinery on Friday was confirmed a hoax. The ATF, FBI and local police officers searched two refinery units specifically mentioned in the phone call – the catalytic cracker and the alkylation unit, which are in close proximity to each other – but found nothing unusual. The Whiting refinery, which is located just east of Chicago, is the largest refinery in the Midwest (PADD 2).
http://www.thetimesonline.com/articles/2006/11/04/news/top_news/007c38e8f674a7768625721c00025dcd.txt

Militants Invade 50,000 b/d Oil Flow Station in Nigeria November 6

Armed militants and villagers invaded Agip's Tebidaba oil pumping station in the Niger Delta on Monday, taking 48 workers hostage and shutting production at the facility. Agip, a unit of Italy's ENI, said that it shut 50,000 b/d from the flow station, which feeds the 200,000 b/d Brass River terminal. On Friday, the U.S. Embassy in Nigeria warned that militants were planning imminent attacks on oil facilities the Niger Delta. It is unclear whether the Tebidaba attack was part of this expected action. In 2005, Nigeria supplied nearly 8 percent of total U.S. oil imports.

http://za.today.reuters.com/news/NewsArticle.aspx?type=topNews&storyID=2006-11-06T140419Z_01_BAN647871_RTRIDST_0_OZATP-NIGERIA-ATTACK-20061106.XML
<http://www.platts.com/Oil/News/8720874.xml?p=Oil/News&sub=Oil>

Explosion Cuts Output at Kuwait's 200,000 Shuaiba Export Refinery November 4

On Saturday a blast and fire in a heavy oil unit at the refinery cut output to 130,000 b/d. Shuaiba produces 30 different kinds of light, medium, and heavy petroleum products mainly for export. The state oil company said that it expects the refinery to return to full production within a few days. In 2005, Kuwait exported about 16,000 b/d of refined petroleum products to the United States. According to Bloomberg News, the curtailment possibly affects U.S. military forces in Iraq.

<http://www.platts.com/Oil/News/7849056.xml?p=Oil/News&sub=Oil>
Bloomberg News, 01:43 November 6, 2006

Natural Gas

Update: Gulfport Restores Some U.S. Gulf Output after October Pipeline Rupture

Gulfport Energy said that it had restored most of its production at the West Cote Blanche Bay field in the U.S. Gulf of Mexico. On October 12, a barge accident ruptured an undersea natural gas pipeline and the company shut the entire field as a precautionary measure. As of November 2, Gulfport said that 2,900 barrels of oil equivalent per day were flowing and 1,300 boe/d remain curtailed while repairs are completed.

<http://www.platts.com/Natural%20Gas/News/6312177.xml?p=Natural%20Gas/News&sub=Natural%20Gas>

FERC Gives Environmental Approval to Rockies Express West Pipeline

The U.S. Federal Energy Regulatory Commission has given a favorable draft environmental impact statement to three natural gas pipeline projects that compose the Rockies Express West (REX West) pipeline system. The three projects proposed by Rockies Express Pipeline, Transcolorado Gas Transmission and Questar Overthrust Pipeline are designed to carry 1.5 Bcf/d to Midwest markets from the rapidly increasing production from the Rocky Mountain natural gas-producing basins. The REX West system has a targeted in-service date of December 2007.

REX West Map: http://www.rexpipeline.com/docs/REX_map_west.pdf
<http://www.platts.com/Natural%20Gas/News/6312173.xml?p=Natural%20Gas/News&sub=Natural%20Gas>

Other News

Mining Dump Truck Maker Sees Shortage of Giant Tires Easing Next Year

Caterpillar, the U.S. maker of large earth-moving equipment, said that the shortage of giant tires that has hampered the company's truck production would ease next year. The company said it was working with its suppliers to get more tires. Caterpillar has been facing record demand for dump trucks, loaders and other equipment from mining companies that are increasing production to take advantage of high commodity prices. New tire plants are currently under construction but won't come online until late 2007. As reported in EAD on October 26, the tire shortage has resulted in some reduced coal production in Canada.

Reuters, 18:23 November 3, 2006

VeraSun Plans New 30 Million Gallon/Year Biodiesel Facility

VeraSun Energy said that it is studying locations for a new 30-million gallon per year biodiesel production facility. The company plans to begin construction in 2007 and begin production in 2008. The facility will produce biodiesel from oil extracted from distillers' grains, which is a co-product of the ethanol production process. This means that VeraSun will produce two biofuels (ethanol and biodiesel) from the same feedstock.

<http://www.platts.com/Oil/News/6311870.xml?p=Oil/News&sub=Oil>

Energy Prices

U.S. Oil and Gas Prices			
November 6, 2006			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	60.06	58.41	60.60
NATURAL GAS Henry Hub \$/Million Btu	7.50	7.42	9.67

Source: Reuters

Energy Notes

MidAmerican-AEP Joint Venture to Spend \$1 Billion on New Transmission Lines in Texas
Bloomberg News, 09:46 November 6, 2006

U.S. 3Q Uranium Production Up by 63 Percent from Last Year – EIA
<http://www.platts.com/Nuclear/News/7847557.xml?p=Nuclear/News&sub=Nuclear>

OPEC President Says Cartel May Need to Cut Production Further This Year
http://biz.yahoo.com/ap/061106/oil_prices.html?v=9

Kuwait Plans to Expand Crude Production from Burgan Oil Field by 200,000 b/d by 2009
<http://www.platts.com/Oil/News/7849053.xml?p=Oil/News&sub=Oil>

Energy Companies to Increase Worldwide Spending on Subsea Processing Systems Due to Improved Deepwater Oil and Gas Prospects - Analysts
<http://powermarketers.net/contentinc.net/newsreader.asp?ppa=8kowu%5D%5BjomgoxqSSig%22EN%26bfeI%5Dv>

Upstream Companies Facing Brunt of Growing Oil Worker Shortages - Analysts
http://www.energyintel.com/PublicationHomePage.asp?publication_id=9

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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