



ENERGY ASSURANCE DAILY

Wednesday, December 06, 2006

Major Development

Update: Over 80,000 Ameren Customers Remain Without Power in Missouri and Illinois

According to Ameren UE's website, 81,463 customers in Missouri and Illinois remained without power at 3:03 p.m. CST today, down from a peak of 517,200 customers without power on December 1 when a violent winter storm passed through the region. Since the weekend, crews from 14 states have been helping Ameren workers clear broken tree limbs and repair power lines. Late on Tuesday, Ameren reiterated that it anticipated that power would be restored to most customers by late today but that some customers, primarily in rural areas, would be without electricity until sometime on December 8. The same storm system that knocked out power in Ameren's service territory caused at least 1.6 million power outages in 15 U.S. states and 2 Canadian provinces from Texas to Quebec. Most of these outages were restored over the weekend.

Outage Page: http://www.ameren.com/Outage/ADC_RS_StormCenter.asp

<http://news.bostonherald.com/national/view.bg?articleid=170744>

<http://www.jg-tc.com/articles/2006/12/06/ap-state-il/d81r7d6o2.txt>

<http://www.daily-journal.com/archives/dj/display.php?id=383844>

<http://edition.cnn.com/2006/WEATHER/12/06/wintry.weather.ap/>

[http://today.reuters.com/news/articlenews.aspx?type=domesticNews&storyID=2006-12-06T141053Z_01_N06396053_RTRUKOC_0_US-UTILITIES-AMEREN-](http://today.reuters.com/news/articlenews.aspx?type=domesticNews&storyID=2006-12-06T141053Z_01_N06396053_RTRUKOC_0_US-UTILITIES-AMEREN-OUTAGES.xml&WTmodLoc=USNewsHome_C1_%5BFeed%5D-7)

[OUTAGES.xml&WTmodLoc=USNewsHome_C1_%5BFeed%5D-7](http://today.reuters.com/news/articlenews.aspx?type=domesticNews&storyID=2006-12-06T141053Z_01_N06396053_RTRUKOC_0_US-UTILITIES-AMEREN-OUTAGES.xml&WTmodLoc=USNewsHome_C1_%5BFeed%5D-7)

Electricity

Florida PSC Says Electric Companies Must Strengthen Infrastructure

The Florida Public Service Commission passed a plan requiring certain standards for electric companies to lessen damage in the event of a hurricane. The standards include that companies' systems be able to withstand winds up to a certain speed. The rules don't set out specific actions, instead spelling out guidelines that companies must follow when designing their plans.

<http://www.tampabay10.com/news/local/article.aspx?storyid=45037>

http://biz.yahoo.com/ap/061205/apfn_hurricanes_electricity.html?.v=1

Alternate Energy Holdings Plans 1,500 MW Nuke in Idaho

On December 5, Alternate Energy Holdings Inc. announced plans to construct and operate the first commercial nuclear plant in Idaho, a 1,500-MW reactor to be located near Bruneau, Idaho. The company indicated that most of the power produced would be delivered to the national energy market.

<http://www.platts.com/Nuclear/News/7922963.xml?p=Nuclear/News&sub=Nuclear>

CDWR's 303 MW Hyatt-Therm Hydro Unit in California Shut December 5

Reuters, 08:06 December 6, 2006

Mirant's 317 MW Pittsburg Gas-fired Unit 6 in California Shut December 5

Reuters, 08:06 December 6, 2006

U.S. Oil and Gas Reserves Grew in 2005 – EIA

According to U.S. Energy Information Administration, U.S. oil reserves grew to 21.75 billion barrels at year-end 2005, up 2 percent from year-end 2004 reserves. This is the first time in three years the U.S. has increased reserves. Crude oil reserves in the lower 48 states were up by 3 percent due to additions in many states, including Texas, Wyoming, Montana, Oklahoma and California. Natural Gas reserves grew by 6 percent, mostly due to extensions of existing gas fields rather than new field or reservoir discoveries.

Oil Daily, December 6, 2006

Iraq Will Not Meet Crude Oil Production Targets – U.S. Reconstruction Inspector General

According to the latest report by the Office of the Inspector General for Iraq Reconstruction, Iraq will not be able to reach crude oil production targets. “Although US-funded projects have helped increase crude oil production capacity and exports, the security situation, poorly maintained infrastructure, corruption and a constrained budget and procurement execution at the Ministry of Oil continue to pose significant challenges to sustained development in the sector.” The overall capacity and production target for Iraq is 2.8 million b/d by the end of September 2007. This quarter oil production has averaged 2.27 million b/d.

SIGIR reports: <http://www.sigir.mil/reports/quarterlyreports/default.aspx>
<http://www.platts.com/Oil/News/8773393.xml?p=Oil/News&sub=Oil>

Natural Gas

Repairs Completed: Gulfport Energy's West Cote Blanche Bay Field Fully Operational

Gulfport Energy reports that repairs to the pipeline serving its West Cote Blanche Bay field have been completed and that the field is fully operational. On October 12, a barge accident ruptured the undersea natural gas pipeline and the company shut the entire field as a precautionary measure. By early November, Gulfport had restored partial production. (See EAD November 6, 2006.)

NGI's Daily Gas Price Index, December 6, 2006

Update: Suez Submits Application to USGC to Build Calypso Deepwater LNG Port Off Florida

Suez Energy has submitted an application to the U.S. Coast Guard to build undersea LNG terminals 8 and 10 miles off the Florida coast near Fort Lauderdale, as well as a submerged pipeline to carry the fuel onshore. If approved, the Coast Guard would establish a restricted zone around the facility.

http://pro.energycentral.com/professional/news/gas/news_article.cfm?id=7504518

Williams Completes Capacity Replacement Project in Washington State

Williams' Northwest Pipeline announced today that its capacity replacement project in the state of Washington has been completed and is in service. The capacity replacement project, which began in 2003, involved abandoning 268 miles of 26-inch pipeline between Sumas and Washougal, Wash., and the construction of approximately 80 miles of 36-inch pipeline in four sections along the same pipeline corridor. Northwest also modified five existing compressor stations adding an additional 10,760 net horsepower. The project has substantially replaced the approximately 360,000 dekatherms per day (360 MMcf/d) of capacity previously provided by the 26-inch pipeline.

http://www.williams.com/newsmedia/2006/20061205_876.htm

<http://intelligencepress.com/subscribers/daily/news/d20061206j.html>

<http://biz.yahoo.com/prnews/061205/datu040a.html?v=2>

ETP Completes Second Phase of 1 Bcf/d Texas Natural Gas Pipeline

Energy Transfer Partners, L.P. has completed the second phase of its 265-mile, 42-inch pipeline construction project. The just completed 32-mile pipeline segment brings ETP's 42-inch expansion project to more than 60 percent complete. The new pipeline provides additional capacity to transport natural gas from Texas' capacity-constrained Barnett Shale and Bossier Sands' producing areas. The expansion serves the Carthage, Texas market hub, as well as to ETP's Texoma pipeline, which connects with numerous interstate and intrastate pipelines as well as direct markets. The initial capacities in excess of 500 MMcf/d, are expected to increase to an estimated 1 Bcf by March 2007 when the final phase of the project is expected to be completed.

<http://www.energytransfer.com/PressReleases.asp?idPressRelease=153>

Other News

U.S. Needs Interim Nuclear Storage Sites – DOE Official

With the proposed Yucca Mountain national nuclear repository still decades away, an official with the U.S. Department of Energy says that the United States needs interim nuclear waste storage and reprocessing sites. Deputy Energy Secretary Clay Shell says that new legislation is needed to set a nuclear waste policy based on recycling instead of one focusing on once-through spent fuel. He says the legislation should allow for interim storage.

<http://www.platts.com/Nuclear/News/6328027.xml?p=Nuclear/News&sub=Nuclear>

Energy Prices

U.S. Oil and Gas Prices			
December 6, 2006			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	62.43	62.45	59.91
NATURAL GAS Henry Hub \$/Million Btu	7.32	7.57	14.27

Source: Reuters

Energy Notes

Wilson Resources Resumes Delivery of Natural Gas Production in West Virginia After Extended Interruption

http://www.marketwire.com/mw/release_html_b1?release_id=190449

EIA Reduces 2030 Natural Gas Demand Projection By Over 10 Percent to 26.1 Tcf

<http://www.platts.com/Natural%20Gas/News/6328106.xml?p=Natural%20Gas/News&sub=Natural%20Gas>
<http://www.eia.doe.gov/oiaf/aeo/index.html>

U.S. MMS Approves Petrobras to Use FPSO to Develop Two Deepwater GOM Oilfields

Oil Daily, December 6, 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

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<http://www.oe.netl.doe.gov/index.aspx>.

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