

U.S. DEPARTMENT OF ENERGY
**Office of Electricity Delivery and
Energy Reliability**



ENERGY ASSURANCE DAILY

December 21, 2005

Highlights/Major Developments

Update: Only 5,000 Remain Without Power in South Carolina

Duke Power Co. says only 5,000 customers remain without power as of 11:00 Wednesday morning from the devastating ice storm that hit the area on December 15. Duke anticipates that work crews will complete restoration by Thursday evening at the latest.

<http://www.dukepower.com/news/jic/2005/dec/2005122102.asp>

Electricity

Substation Fire Results in Transmission Emergency in California

A transmission line taken out of service because of a fire at the Mohave Substation led the California Independent System Operator to declare a transmission emergency. According to the Cal ISO, no outages have developed as yet.

Bloomberg 3:49, December 21, 2005.

2 PG&E Nuclear Units Back to Full Power at 2,174 MW Diablo Canyon Plant in CA

Two nuclear units returned to full power late Wednesday at PG&E Corp.'s Diablo Canyon power station in California after sliding to 24 percent power as of early Wednesday, the company said. Output was curtailed either late Tuesday or early Wednesday because of high swells off the California coast, which often affect the intake water at the plant.

Reuters, 12:05, December 21, 2005

198 MW Phase 1 of Maple Ridge Wind Farm in New York Enters Service

Construction of all but two of the 120 turbines in the 198 MW phase 1 of the Maple Ridge Wind Farm in New York has been completed and crews are connecting units to the grid.

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=6177624

New York Power Authority Completes Expansion of Charles Poletti Power Station

Reuters 6:26 December 21, 2005

<http://www.industrialinfo.com/showNews.jsp?newsitemID=74489>

FPL's 693 MW Unit 3 at its Turkey Point Nuclear Plant Cut to 59%

Reuters 7:15 December 21, 2005

Petroleum

Weather Halts Shipments of North Sea Crude

High winds forced suspension of operations at the Sullom Voe facility, a major North Sea terminal handling crude from more than 20 fields in the North Sea including Brent blend.
Bloomberg, 9:41, December 21, 2005.

Update: Fire Continues to Burn at Site of Pipeline Explosion in Nigeria

The explosion occurred following an attack on the line on December 20 leading Shell to shut production of 170,000 b/d of Bonnie Light. Today Shell announced that it had shut an additional flowstation to help curtail the fire. The closure brings the total shut-in production to approximately 180,000 b/d. According to a source quoted by Reuters, the shut-in has not affected exports as yet.
Platts, December 21, 2005.

<http://www.platts.com/Oil/headlines.jsp>

Reuters 11:45, December 21, 2005.

Reuters 11:23, December 21, 2005.

500,000 b/d to be Shut As US Refineries Undergo Heavy Maintenance in Early 2006

U.S. oil refiners are expected to shut a large amount of fuel production early next year for maintenance after the government asked companies to delay autumn work to make up for hurricane disruptions. A Reuters survey of refinery maintenance plans showed more than 500,000 barrels of daily fuel production would be shut in January, with other peaks in maintenance activity occurring in March and May. Adding to the need for refinery shutdowns, the United States will also require U.S. fuel suppliers to meet a maximum sulfur content in diesel at retail diesel outlets of 10 parts per million by Oct. 15 -- from 500 ppm now.

Reuters, 14:22 December 21, 2005

Conoco N.J. Refinery Spills 1,500 Barrels of Oil into the Rahway River

The ConocoPhillips refinery in Linden, New Jersey, spilled about 1,500 barrels of an oil and water mixture into the Rahway River, according to the U.S. Environmental Protection Agency. More than a third of the oil and water spill has been recovered from the accident, which was caused by a leaky valve. The leak was stopped and the valve replaced soon after the spill was detected. The Bayway refinery has a crude distillation capacity of 263,000 barrels per day.

Reuters, 12:07 December 21, 2005

Frontier El Dorado Refining to Expand Crude and Vacuum Units

The expansion will enable Frontier to increase crude charge rates, make more gasoline and distillates and processes more heavier crudes. Completion is expected in the spring of 2008.

Reuters 8:00 December 21, 2005

Natural Gas

Financing Secured for Phase 1 of Freeport's Texas LNG Terminal

Freeport LNG Development announced that it had secured financing for the first phase of its proposed LNG terminal to be constructed in Brazoria County in Texas. Phase 1 of the facility will consist of two-above ground storage tanks with a capacity of 6.9 Bcf and a 1.75 Bcf/d sendout capacity. Construction began in January 2005, Freeport anticipates that construction will be complete in January 2008.

NGI's Daily Gas Price Index, December 21, 2005.

http://pro.energycentral.com/professional/news/gas/news_article.cfm?id=6177412

Enterprise Petal Gas Storage Expansion Comes On-line,

Enterprise Products Partners announced on December 20, that a 2.4 Bcf expansion at its Petal Gas Storage subsidiary had been placed in service. The company also announced that it anticipates adding an additional 5 Bcf of capacity at the facility to meet significant interest it received in a recent open season. The additional expansion is slated to come on-line during the first quarter of 2008.

<http://biz.yahoo.com/bw/051220/20051220005911.html?.v=1>

El Paso Plans \$850 Million Expansion of Elba LNG Terminal and New Pipeline

El Paso Corp announced on December 21 that it will more than double the storage capacity at its Elba Island LNG storage terminal. El Paso will spend \$850 million to increase the storage capacity by 8.4 Bcf. The company will also construct a new 191 mile long pipeline with a capacity of 1.1 Bcf/d to move gas from the terminal site to markets throughout the southeast. El Paso anticipates submitting the plans to FERC for approval sometime during the third quarter of 2006 and anticipates completion in 2012.

http://biz.yahoo.com/ap/051221/el_paso_elba_expansion.html?.v=1

Reuters, 09:00 December 21, 2005

Pemex Plans to Invest in Gas Fields and Pipeline Upgrades

Pemex plans to invest between \$1.5 billion and \$1.8 billion in 2006 developing gas fields in northern Mexico. Private firms will be involved in the development. Pemex also plans to invest \$3 billion on pipeline improvements.

Reuters 22:52 December 20, 2005

Hurricane Recovery Updates

December 15 was the last scheduled hurricane emergency situation report for 2005. Updates on the status of energy infrastructure restoration efforts related to hurricane damage will be posted in the Energy Assurance Daily in this section of the report. For past Gulf Coast Hurricanes situation reports, see the website of the Office of Electricity Delivery and Energy Reliability (OE) of the U.S. Department of Energy at:

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

Gulf Coast Shut-in Production Per Day

Ivan vs. Katrina/ Rita vs. Most Recent

	Ivan	Katrina/Rita	Most Recent
Gas (BCF/day)	6.515 65.15% (High- 9/16/04)	9.418 94.18% (High- 8/30/05)	2.014 20.14% (12/19/05)
Oil (bbls/day)	1,410,002 94.00% (High- 9/16/04)	1,564,679 100.00% (High-9/26/05)	414,495 27.63% (12/19/05)

Normal Production in the Gulf Coast is 10 BCF/day of gas and 1,500,000 bbls/day of oil.

Source: U.S. MMS, December 19, 2005.

Gulf Coast Shut-in Production Cumulative

Katrina/ Rita vs. Ivan

	Ivan	Katrina/ Rita
Cumulative	9/13/04 - 02/14/05	8/26/05 – 12/19/05
Gas (BCF)	172.259	541.092
Oil (bbls)	43,841,245	104,648,778

Source: U.S. MMS, December 19, 2005.

[Louisiana In-State Daily Production and Pipeline Update](#)

According to the Louisiana Department of Natural Resources on 12/21, onshore crude oil production in southern Louisiana has reached 120,962 barrels per day, or 60.0 percent of the region's capacity; natural gas production of 1,604.8 million cubic feet per day, or 71.8 percent of daily capacity in 38 southern Louisiana parishes, has been restored. There are 55 on-shore pipeline operators in the hurricane-affected parishes. As of 12/20, 8 operator's facilities were reopened, 30 of the operator's facilities are shut-in, and 17 of the operators experience partial system shut-ins or flow.

<http://dnr.louisiana.gov/>

Other News

Federal Government to Fund Training Programs Designed to Help Ease Shortage of Coal Miners

The Department of Labor will provide funding to train coal miners in an effort to ease the shortage of trained miners that has developed in part in response to increased demand for coal. The Department of Labor has set aside \$6 million for training programs in Kentucky and West Virginia. Another \$500,000 was granted to Pennsylvania to establish an associate degree in mining technology at Penn State University.

<http://www.wvgazette.com/section/News/Other%20News/2005121921>

Energy Prices

	Latest (12/21/05)	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate US \$/Barrel	58.56	60.86	44.05
NATURAL GAS Henry Hub \$/Million Btu	13.56	14.81	7.05

Source: Reuters

This Week in Petroleum from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated on Wednesdays

Weekly Petroleum Status Report from EIA

http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 1:00 pm on Wednesdays

Natural Gas Weekly Update from EIA

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 pm on Thursdays

Infrastructure Security and Energy Restoration Website from ISER/OE/DOE

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

Updated after 5:00 pm (Mon. thru Fri.) with latest Energy Assurance Daily; previous Energy Assurance Daily and emergency situation reports are also posted on the website.