



ENERGY ASSURANCE DAILY

Thursday, December 21, 2006

Major Developments

Update: 96,396 Customers Remain Without Power in Pacific Northwest December 21

[See Pacific Northwest Storms Situation Report](#)

(http://www.oe.netl.doe.gov/hurricanes_emer/pnw_storm.aspx)

Electricity

Latest Windstorm Knocks Out Power to 25,000 B.C. Hydro Customers in Vancouver December 20-21

A powerful windstorm blew through Vancouver overnight and early Thursday morning, knocking out power to about 25,000 customers.

<http://www.cbc.ca/canada/british-columbia/story/2006/12/21/bc-storm.html>

ReliabilityFirst Expects Adequate Power Supply for Winter Demand

ReliabilityFirst, which ensures electricity reliability in 13 Midwest and Eastern states and the District of Columbia, says that it expects electricity supply to meet peak winter demand without problems this winter. However, the group said that "a combination of adverse factors may challenge resource adequacy on a regional basis. Such adverse factors may include a high level of generator outages, high demand due to extreme weather, and transmission constraints that limit the transfer of power across and/or into the region or local area."

<http://www.platts.com/Electric%20Power/News/6332902.xml?p=Electric%20Power/News&sub=Electric%20Power>

Illinois Ends Utility Rate Freeze, Allowing ComEd and Ameren to Avoid Reliability Problems

The Illinois Commerce Commission has approved a proposal by Ameren and ComEd to phase in rate increases to customers in Illinois. Last month utility officials warned that a failure to end a 10-year rate freeze could cause their companies to go bankrupt, or to cut back on expenditures, which would affect delivery reliability.

<http://daily-journal.com/archives/dj/display.php?id=384863>

Petroleum

Update: Vessel Backlog at Houston Ship Channel Cleared December 21

Deer Park Refinery Expects to Return to Normal Rates December 22

The U.S. Coast Guard has told OPIS that the backlog of vessels waiting to enter or depart the Houston Ship Channel or Galveston Bay has been "essentially" cleared. Transportation along the channel has been intermittent since last week due to dense fog. Earlier this week, sources told OPIS that refiners were cutting crude runs because of shipping problems. The 340,000 b/d Deer Park refinery along the Houston Ship Channel reported "minimal impact" to production. Today the refinery said it expects production to return to normal rates by Friday.

OPIS, 10:40 December 21, 2006

<http://www.cattlenetwork.com/content.asp?contentid=92894>

Gulf Coast Fog Problems Caused Crude Oil Imports and Inventories to Drop -EIA

According to weekly data released Wednesday by the U.S. Energy Information Administration (EIA), shipping delays in the Houston, Sabine and Calcasieu Ship Channels caused crude imports to drop 696,000 b/d to 8.902 million b/d and inventories to drop by 6.3 million b/d to 329.107 million barrels. Crude inventories are the lowest since October 7, 2005 when problems caused by hurricanes Rita and Katrina forced huge inventory draw downs. According to one source at EIA, a large part of the import drop was accounted for by a two day closure of the Houston Ship Channel, which offloads approximately 850,000 of crude oil per day.

<http://www.platts.com/Oil/News/6333059.xml?p=Oil/News&sub=Oil>

OPIIS, 10:40 December 21, 2006

Processing Unit Leaks at Tesoro's Anacortes, Washington Refinery December 20

The leak occurred last night during routine maintenance. A small amount of naphtha leaked but was quickly contained. Three workers exposed to the chemical were taken to the hospital to be treated for exposure.

http://seattlepi.nwsource.com/local/296729_refinery21.html

Attack Shuts Eni's 40,000 b/d Tebidaba Pump Station in Nigeria December 21

According to a posting on Eni's website, armed men have occupied the facility, forcing the company to suspend oil production. No foreign workers were present at the time of the attack. It was the third invasion of this facility within two months by gunmen linked to a local community seeking jobs and cash.

Bloomberg News, 12:05 December 21, 2006

Attack Shuts Total's 35,000 b/d Obagi Pump Station in Nigeria December 21

A dozen armed militants attacked a Total SA oil pumping station in the Niger Delta today. According to a Total spokesman in Paris, the gunmen attacked a residential compound "a relatively large distance" from the oil production site, which was not attacked. However, according to a Total spokesman in Abuja, the pump station at the Obagi oil field has been shut down.

<http://www.irishexaminer.com/breaking/story.asp?j=87657010&p=876573yz&n=87657390>

Reuters, 12:18 December 21, 2006

Shell Evacuates Expatriate Oil Workers' Families From Nigeria After Bomb Found

According to company officials, Royal Dutch Shell evacuated about 400 expatriate staff dependents from residential compounds in Port Hartcourt, Warri and Bonny Island after militants planted a car bomb in a residential compound. The withdrawal began hours after today's attacks against Total and Eni pump stations. Earlier this week, bombs were detonated outside residential compounds housing workers of Shell and Agip. According to Shell, staff will not be evacuated and oil and gas production will not be affected.

Reuters, 12:17 December 21, 2006

Iraq Northern Pipeline Attacks Cut Oil Exports by 651 Days Over 2 ½ Years

According to Iraq's Oil Ministry, Iraq has lost 651 days of oil exports due to persistent sabotage on a pipeline that delivers crude oil from Kirkuk, Iraq to the Turkish port of Ceyhan. From 2004 through the first half of 2006, Iraq's northern pipeline was inoperable for roughly 1 year and 8 months. Last month, the Oil Ministry said the northern pipeline was virtually unusable because of constant attacks and a lack of reliable electricity to operate it.

<http://www.upi.com/Energy/view.php?StoryID=20061221-105420-6590r>

Natural Gas

FERC Approves 500 MMcf/d Millennium Pipeline Project to New York City

The U.S. Federal Energy Regulatory Commission (FERC) has approved the proposed 182-mile pipeline that will deliver new natural gas supplies from Canada to the New York City area. FERC previously approved an older Millennium Pipeline proposal in September 2002, but that design was rejected by New York regulators. The redesigned proposal is smaller in scale and does not have a pipeline crossing the Hudson River. In the same order FERC approved four other pipeline projects that involve a combined 265 miles of new pipe and will bring new natural gas supplies to the New York City area.

Reuters, 12:07 December 21, 2006

Other News

Update: NRC to Watch Entergy's Vermont Yankee Nuclear Plant

The U.S. Nuclear Regulatory Commission (NRC) will put Entergy's Vermont Yankee Nuclear power plant under increased scrutiny after the NRC determined that workers there shipped a radioactive package to another nuclear plant in Pennsylvania in August.

Reuters, 15:24 December 20, 2006

Energy Prices

U.S. Oil and Gas Prices			
December 21, 2006			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	62.24	62.48	58.56
NATURAL GAS Henry Hub \$/Million Btu	6.09	7.26	13.56

Source: Reuters

Energy Notes

Transformer Explosion Injures 4 in Nashville, Tennessee December 20

<http://www.topix.net/content/ap/4082318789366796393742793525563741398269>

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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