



ENERGY ASSURANCE DAILY

Friday, December 29, 2006

Major Developments

Update: 27,000 Still Without Power in California December 29

As of this morning, slightly more than 10,000 Pacific Gas and Electric (PG&E) customers in northern California remained without power. The utility hopes to have all electricity restored by the end of today. In southern California, 9,700 the Los Angeles Department of Water and Power (LADWP) and 7,000 Southern California Edison (SCE) customers were still without power as of late December 28.

http://cbs13.com/local/local_story_363100753.html

<http://abclocal.go.com/kabc/story?section=local&id=4890339>

<http://www1.pressdemocrat.com/apps/pbcs.dll/article?AID=/20061229/NEWS/61229009>

Electricity

38,000 Xcel Energy Customers Lose Power Near Denver December 29

According to an Xcel spokesman, all but 500 were restored by 9:45 a.m. this morning, within 3 hours of losing power.

<http://www.bloomberg.com/apps/news?pid=20601103&sid=ah5pNhdUpEkA>

SCE's 1,080 MW San Onofre Nuke Unit 3 in California Ramps up to 65 Percent Power December 29

The unit was up from 29 percent early Thursday. Unit 3 has been ramping up following a brief power reduction for repairs to a leaky pipe in the condensate system.

Reuters, 07:24 December 29, 2006

Petroleum

Chevron's 260,000 b/d El Segundo Refinery in Los Angeles has Brief Fire December 28

The fire in a process unit fuel pump started at 7:40 a.m. December 28 and was "confined to a small area" according to Chevron reporting to the California Office of Emergency Services. A follow up report at 8:15 a.m. said that the fire was almost out. It is unknown whether the minor fire had any impact on fuel production.

Reuters, 12:05 December 29, 2006

Motiva Shuts Delayed Coker at Port Arthur, Texas Refinery December 29

Motiva took its 49,500 barrels per day delayed coker out of service on Friday for six days of repairs following the discovery of a leak in some bundles to tubing.

Reuters, 13:01 December 29, 2006

President Bush Signs New Pipeline Safety Legislation

On Friday, December 29, President George W. Bush signed into law legislation aimed at preventing the kind of runaway corrosion that plagued low pressure pipelines at the huge Prudhoe Bay oil field in Alaska, which had been exempt from federal oversight. The Pipeline Inspection, Protection, Enforcement and Safety Act of 2006 extends the U.S. Department of Transportation's oversight to include oil and gas pipelines operating at low pressures.

Previously, federal oversight encompassed only high pressure pipelines.

Reuters, 14:11 December 29, 2006

Energy Secretary Bodman Says U.S. Oil Industry Could Boost Expansion Plans to 2 Million b/d within Next Few Years

Since 2005, U.S. refining companies have revealed plant expansion plans totaling around 1 million b/d, adding to some 355,000 b/d of expansion projects already on the books. For details on the plans see the Reuters story. Reuters, 13:23 December 29, 2006

Update: ExxonMobil Turns to Court to Keep Alaska Leases

ExxonMobil filed a legal appeal challenging the state's decision to begin revoking leases for a long-dormant natural gas field on the North Slope that it says may hinder plans for a pipeline. Reuters, 22:42 December 28, 2006

EIA Lowers Renewable Power Growth Projection to 1.5 Percent per Year through 2030

According to the latest long-term energy projections from the Department of Energy's (DOE) Energy Information Administration (EIA), renewable power sources are projected to grow 1.5 percent per year through 2030. The EIA adjusted its projection downward from 2005 figures "because new, less positive cost and performance characteristics are assumed for several renewable technologies." EIA's projection is for both nuclear and gas-fired generation to lose market share while coal-fired generation is expected to increase with the addition of 156 gigawatts of generating capacity. Fossil fuels in total are projected to supply about 86 percent of US energy needs in 2030, the same as today.

Oil Daily, December 29, 2006

Iraq's New 500,000 B/d Export Pipeline to be Completed within Days

Iraq plans to open a new oil pipeline within the next few days to help restore crude oil exports from its northern Kirkuk oil fields. The new export pipeline, Iraq's third, will supplement its two northern pipelines, which have often been shut as a result of bombing and attacks since 2003. With the new 500,000 b/d line bypassing the area where the existing pipelines have frequently been attacked, it is hoped that the new line will improve export reliability and boost volumes moving from the Kirkuk oil fields to the Mediterranean port of Ceyhan in Turkey. Oil Daily, December 29, 2006

Sadaam Hussein's Execution May Lead to Additional Insurgent Attacks and Threaten Oil Supplies Out of Iraq

Bloomberg News, 13:46 December 29, 2006

Natural Gas

Update: FERC Approves Scaling Back of Cheniere Creole Trail Pipeline

This week, the Federal Energy Regulatory Commission (FERC) approved Cheniere's proposal to significantly scale back its Creole Trail Pipeline. FERC also gave an environmental approval to the pipeline's proposal to build a small extension connecting its system with the 16-mile Cheniere Sabine Pass Pipeline on the Gulf Coast in Cameron Parish, Louisiana.

<http://powermarketers.net/contentinc.net/newsreader.asp?ppa=8kowu%5D%5BknqtvwrUUunjw11rbfel%5Dv>

AES Requests 4-Year Extension for Bahamas Pipe Completion

AES Corporation this week requested a 4-year extension (to January 2011) from FERC for the completion of its gas pipeline project from the Bahamas to Florida.

<http://intelligencepress.com>, *NGI's Daily Gas Price Index*, December 29, 2006

Other News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices December 29, 2006			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	60.85	61.74	60.26
NATURAL GAS Henry Hub \$/Million Btu	5.50	6.09	10.07

Source: Reuters

Energy Notes

HECO Blackout in October Blamed on Faulty Switches

<http://the.honoluluadvertiser.com/article/2006/Dec/29/bz/FP612290351.html>

Westar Energy Postpones Decision on Location of New Coal-fired Plant

<http://www.kansas.com/mld/kansas/business/16340110.htm>

DOT Issues Advisory Bulletin to LNG Plant Owners and Operators to be Vigilant with Facility Security

<http://intelligencepress.com>, *NGI's Daily Gas Price Index*, December 29, 2006

Dominion Virginia Power Plans to Restart Its Hopewell Plant in May 2007

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7595936

2006 Kansas Oil Production Increased, Natural Gas Production Decreased, from 2005: Kansas Geological Survey

http://pro.energycentral.com/professional/news/gas/news_article.cfm?id=7595627

Exxon Boosts Oil Production by 244,000 b/d in 2006

Bloomberg News, 11:04 December 29, 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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