



ENERGY ASSURANCE DAILY

Tuesday, October 3, 2006

Major Developments

320,000 ComEd Customers in Chicago, Illinois Lost Power October 2

A cluster of storms passing through the Chicago area on Monday evening knocked down trees and power lines, leaving 320,000 ComEd customers without power. Chicago and its southern suburbs were the hardest hit. According to a ComEd spokesperson, more than 300 crews have been working around the clock to restore electricity. As of 11:00 a.m. this morning, 149,000 customers remained without power. It is unknown when full power will be restored.

<http://www.chicagotribune.com/news/custom/newsroom/chi-061003weather.1.3113814.story?track=rsshttp://www.msnbc.msn.com/id/15116014/>
<http://abclocal.go.com/wls/story?section=local&id=4622550>

Electricity

125,000 SCE Customers Lost Power for an Hour in California October 2

An interruption in Southern California Edison's service on the afternoon of October 2 left 125,000 customers without power for a short time. Most power was restored an hour later, with full restoration within three hours. One source cited a blown transformer as the cause of the outage, while another source said the cause was still unknown and under investigation.

http://www.the-signal.com/?module=displaystory&story_id=33219&format=html

25,000 We Energies Customers Lost Power in Wisconsin October 2

High winds from a fast-moving storm downed power lines on the evening of October 2, causing 25,000 We Energies customers in southeastern Wisconsin to lose power at the storm's peak. Power was restored quickly, within two to four hours.

http://www.gmtoday.com/news/local_stories/2006/Oct_06/10032006_05.asp

Duke Energy's 79 MW Hydro Station Unit 2 in South Carolina Temporarily Shut

Duke Energy temporarily shut its Hydro Station 2 which normally supplies backup power to the Oconee Nuclear Station in Greenville, South Carolina. The station was shut after a field coil pole connector failed during routine testing. Due to the extensiveness of repairs needed, Duke Energy has requested an extension in repair time from the Nuclear Regulatory Commission. Duke has the capacity to meet customer demand with other generating stations elsewhere while Hydro 2 is out of operation.

<http://greenvilleonline.com/apps/pbcs.dll/article?AID=/20061003/NEWS01/610030370>

Progress Energy's 900 MW Crystal River Nuke Plant in Florida Returns to Full Power October 3

On October 3, the 900 MW nuclear reactor in Florida returned to full power after fixing an electrical problem. Bloomberg News, 18:17 October 2 2006

Constellation's 525 MW Ginna Nuke Unit in New York Reducing Output October 3

The 525 MW nuclear unit in New York reduced power to prepare for a refueling outage and to work on increasing output. The unit was operating at 94 percent on October 3 and will go offline on October 8. The capacity will rise to 610 MW following the shutdown.

Reuters, 12:32 October 3, 2006

Petroleum

Update: Alaska Oil Production Increases to 800,000 b/d as of October 1

According to state data, oil production in Alaska rose to approximately 800,000 b/d as of October 1. Oil production in Alaska dropped from 828,000 b/d to 540,000 b/d in August after BP partially shut its Prudhoe Bay oilfield. Prudhoe Bay produced more than 369,000 b/d of crude on October 1.

Reuters, 11:46 October 3, 2006

Petro-Canada Announces Long-term Strategy to Bring Its 10 Billion Barrels of Oil Sands to Market

Petro-Canada executives presented to an Investor Day audience their plan for an integrated strategy to develop the company's 10 billion barrel oil sands resource. The plan calls for increased mining and the conversion of the company's Edmonton refinery to a fully oil sands-based refinery.

<http://biz.yahoo.com/iw/061003/0168833.html>

<http://today.reuters.com/news/articleinvesting.aspx?view=CN&storyID=2006>

Natural Gas

El Paso Withdraws FERC Application to Build U.S. Leg of Proposed Bahamas-to-Florida Natural Gas Pipeline

El Paso Corp.'s Seafarer US Pipeline System Inc. has withdrawn its FERC application to build the U.S. leg of the proposed Bahamas-to-Florida Seafarer natural gas pipeline. The company cites uncertainty surrounding the development of liquefied natural gas (LNG) facilities in the Bahamas.

<http://intelligencepress.com/>

Questar Shuts-in Some Natural Gas Production in the Rocky Mountains

Questar Corp. announced that it shut-in a portion of natural gas production in the Rocky Mountain region. Effective October 1, the company shut about 32 Mcf/d of natural gas production due to the low price of natural gas. Please see the Energy Assurance Daily from September 27, 2006 for information on other shut-in natural gas production due to low prices.

Reuters, 13:04 October 3, 2006

CenterPoint Receives FERC Approval for Gas Pipeline from Texas to Louisiana

CenterPoint Energy announced on October 2 that it has received FERC approval to build and operate a natural gas pipeline from Carthage, Texas to Perryville, Louisiana. The pipeline is expected to be in service by Spring 2007.

Reuters, 08:05 October 3, 2006

Other News

Congress Passes Legislation to Give DHS Authority to Shut Refineries with Poor Security

Congress has passed legislation that gives the Department of Homeland Security the authority to shut U.S. oil refineries if they fail to adequately provide security for their facilities. The provisions in the law give DHS the authority to audit, inspect refineries and chemical plants and to shut them down if they do not comply. The Department has also been given the authority to establish standards for the protection of refineries and chemical plants and other high risk facilities and to require such installations to implement security measures.

Oil Daily, October 3, 2006

One of Nation's First Coal-to-Liquid Fuel Facilities to be Developed in Montana

DKRW Advanced Fuels, Arch Minerals, and Bull Mountain Companies plan to develop one of the nation's first coal-to-liquid fuel facilities at Bull Mountain in central Montana. The facility will use an integrated gas combined cycle technology to gasify coal, rather than ignite it. The project calls for converting a portion of the synthetic gas into 22,000 b/d of diesel fuel, using the rest of the gas to generate about 300 megawatts of electricity.

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7225582

Anthrax Threat Found at Talisman Energy in Alberta, Canada, October 1

Twelve Talisman Energy Inc. subcontractors were placed under quarantine at a compressor station after an electrician found white powder and a note reading, "Welcome to Anthrax," as he opened a box of screws. The Royal Canadian Mounted Police (RCMP) was investigating the anthrax scare on October 1 and said the incident did not pose any risk to the public or environment.

<http://www.canada.com/ottawacitizen/story.html?id=f620ee71%E2%88%92c%20e06%E2%88%924407%E2%88%92b4be%E2%88%92b86dc4c76a7c&k=49312>

Energy Prices

U.S. Oil and Gas Prices			
October 3, 2006			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	58.82	60.28	65.36
NATURAL GAS Henry Hub \$/Million Btu	4.01	4.31	14.84

Source: Reuters

Energy Notes

Missouri Public Service Commission Holding Public Hearings This Week; Ameren's and Other Utilities' Preparations and Response to Summer Power Outages to be Examined

<http://powermarketers.net/contentinc.net/newsreader.asp?ppa=8knpp%5E%5BjimpqooXSfd%23%3A%40%24bfe1%5Dv>

Texas Makes Informal Agreement to Ensure Power Lines for Wind Developers

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7226303

20 Shell Oil Workers Abducted in Nigeria During Attack on October 2

Reuters, 05:27 October 3, 2006

US DOE to Delay Buying Oil for Strategic Petroleum Reserve During Winter

Reuters, 15:16 October 2, 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/wpst.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

Energy Assurance Daily provides a summary of public information concerning current energy issues. Published Monday through Friday to inform stakeholders of developments affecting energy systems, flows, and markets, it provides highlights of energy issues rather than a comprehensive coverage. *Energy Assurance Daily* is updated online Monday through Friday after 5:00 p.m. EST. For more information, visit the Infrastructure Security and Energy Restoration (ISER) website at:

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

Please direct comments and questions to: ead@oe.netl.doe.gov