

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



ENERGY ASSURANCE DAILY

January 9, 2006

Electricity

Company Applies to Build 300 MW Alberta-Montana Power Line

Montana Alberta Tie Ltd. has applied to build and operate a power line running between Lethbridge, Alberta, and Great Falls, Montana, the National Energy Board said January 6. The \$100-million project would allow up to 300 megawatts of power to be transferred in either direction over the 326 km line. The line is slated for commercial operation by January 2007.

<http://www.cbc.ca/cp/business/060106/b010672.html>

Nevada Power Closer to Shutting Down 3 Units at Henderson Plant

On January 5, state regulators took the first step to allow Nevada Power Co. to shut down and scrap three old natural-gas fired electric generators that produce 175 megawatts of electricity in Henderson. Nevada Power Co. plans to decommission units 1, 2 and 3 of Clark Generating Station, but the utility intends to continue operating other units that generate about 420 megawatts of electricity.

http://www.reviewjournal.com/lvrj_home/2006/Jan-06-Fri-2006/business/5229350.html

Progress Energy's 838 MW Crystal River 3 Nuke in Florida at 40 Percent January 9

On January 9, 2006, the Nuclear Regulatory Commission reported that Progress Energy Inc.'s 838-megawatt unit 3 at the Crystal River nuclear power station in Florida came back to 40 percent of capacity. The company shut the unit on January 3 to work on a step-up transformer that was showing higher-than-normal temperatures.

Reuters, 07:18, January 9, 2006.

CMS Energy's 767 MW Palisades Nuke in Michigan Back at Full Power January 9

According to the NRC's report, CMS Energy Corp.'s 767 megawatt Palisades nuclear power station in Michigan, which was shut since December 30, 2005 for a repair to two control rod and drive seals, came back to full power on January 9, 2006.

Reuters, 07:24, January 9, 2006.

Exelon's 864 MW Quad Cities 1 Nuke in Illinois Dips to 59 Percent January 9

NRC reported that Exelon Corp.'s 864-megawatt unit 1 at the Quad Cities nuclear power station in Illinois dropped to 59 percent of capacity on early January 9, 2006.

Reuters, 07:26, January 9, 2006.

Energy Northwest's 1,108 MW Columbia Nuke in Washington at 100 Percent January 9

According to NRC, Energy Northwest's 1,108-megawatt Columbia nuclear power station in Washington returned to full power on early January 9, 2006.

Reuters, 07:30, January 9, 2006.

AEP's 528 MW Welsh Power Unit 1 in Texas Shut January 5

American Electric Power Co Inc. shut its 528-megawatt Welsh coal-fired power plant in Texas on January 5, 2006, due to a boiler tube leak.

Reuters, 17:54, January 6, 2006.

Reuters, 08:35, January 9, 2006.

Edison International's 1,070 MW San Onofre Unit 2 in California Shut January 4

Bloomberg 9:33, January 4, 2006.

Petroleum

Crude Prices Reverse Upward Trend

With mild weather in the United States and ample supplies overshadowing concerns over Middle East turmoil, U.S. crude oil futures fell today to \$63.15 a barrel from \$64 on January 6 on the NYMEX.

Reuters 12:23, January 9, 2006.

Update: Insurgent Attacks Again Shut Iraqi Oil Refinery

Iraq's largest oil refinery closed again January 5th, a day after insurgents ambushed a convoy of tanker trucks carrying gas from the facility. The pumping to the Baiji refinery was also suspended because its reserves were full. Wednesday's ambush destroyed four tankers and damaged 15. The refinery, which pumps 140,000 barrels a day, closed Dec. 18 after insurgents threatened to kill drivers transporting oil and blow up their trucks. It reopened January 1, and drivers again began carrying fuel after the government promised extra protection.

http://www.mercurynews.com/mld/mercurynews/news/special_packages/iraq/13557110.htm

Update: Venezuela Oil Fields Back in State Control

With the start of the New Year, 32 privately operated oil fields returned to state control in Venezuela. The deadline to agree to convert operating agreements into joint ventures in which the state oil company Petroleos de Venezuela SA (PDVSA) holds a controlling stake expired at midnight on December 31. The government had threatened to reclaim oil fields from companies that refused to sign the agreements. Chevron Corp., BP PLC, Royal Dutch Shell PLC and Brazil's state oil company Petrobras SA were among those that signed earlier. Exxon Mobil refused to sign and instead sold its stake in Venezuela's Quimare-La Ceiba oil field. The 32 oil fields have been responsible for about 500,000 of Venezuela's official declared production of 3.2 million barrels a day.

<http://www.forbes.com/markets/economy/feeds/ap/2006/01/01/ap2422602.html>

Natural Gas

Nothing to report.

Hurricane Recovery Updates

December 15 was the last scheduled hurricane emergency situation report prepared in 2005. There will be no further updates to refinery, natural gas plant or pipeline data. The U.S. Minerals Management Service continues to provide weekly status reports on Gulf of Mexico production. This information is represented in the tables below. 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 and Louisiana Shut-in Production Per Day			
January 9, 2006			
	Gulf Coast	Louisiana	Total
Gas (MMCF/day) % of normal	1,856 18.6%	620 27.8%	2,476 20.0%
Oil (bbls/day) % of normal	402,259 26.8%	79,509 39.1%	481,768 28.0%

NOTE: Normal Production in the Gulf Coast (Outer Continental Shelf as reported by MMS) is 10,000 MMCF/day of gas and 1,500,000 bbls/day of oil. Normal Production in Louisiana (as reported by DNR) is 2,235 MMCF/day of gas and 203,139 bbls/day of oil.

Sources: [U.S. MMS](#), January 9, 2006 and [Louisiana DNR](#), January 9, 2006

Gulf Coast Shut-in Production Cumulative		
Ivan vs. Katrina/ Rita		
	Ivan 9/13/04 - 02/14/05	Katrina/ Rita 8/26/05 - 1/9/06
Gas (MMCF)	172,259	581.682
Oil (bbls)	43,841,245	113,246,964

Source: [U.S. MMS](#), January 9, 2006.

Louisiana Pipeline Operation			
January 9, 2006			
Total	Open	Partially Open	Shut-in
55	18	16	21

Source: [Louisiana DNR](#), January 9, 2006.

Other News

Railroads Struggling to Deliver Wyoming Coal

Railroads are trying to keep up with the increasing demand for coal shipped out of Wyoming, an industry official says. Wyoming produced an estimated 399.2 million tons of coal last year, most of it from the Powder River Basin in the northeast. Coal production increased slightly in the Powder River Basin in 2005 even though railroads were unable to fully restore capacity on a triple-track line that was damaged in the spring. The EIA estimates that the U.S. will demand an additional 100 million tons of coal annually from the Powder River Basin by 2010.

<http://www.billingsgazette.com/index.php?id=1&display=rednews/2006/01/09/build/wyoming/30-rr.inc>

Update: Energy Department Suspends Work on Some Yucca Mountain Programs

Design work has been suspended on a national nuclear waste repository in Nevada after internal whistleblowers reported more problems at the Yucca Mountain site, officials said. But officials with the Energy Department and project contractor Bechtel SAIC Co. LLC said work is continuing at the site that Congress and President Bush picked in 2002 to bury 77,000 tons of nuclear waste now stored at more than 100 commercial, industrial and military sites in 39 states.

<http://www.lasvegassun.com/sunbin/stories/nevada/2006/jan/06/010610248.html>

Energy Prices

U.S. Oil and Gas Prices			
January 9, 2006			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	63.56	63.11	45.31
NATURAL GAS Henry Hub \$/Million Btu	8.79	9.11	6.21

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 (Eastern time) on Wednesdays

Natural Gas Weekly Update from EIA

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

Updated after 2:00 pm (Eastern time) 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.