

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



ENERGY ASSURANCE DAILY

January 12, 2006

Electricity

Update: Mirant Proposes to Increase Operations at Troubled Virginia Plant

Mirant Corp. is proposing to increase operations at its 482 MW coal-fired power plant in Alexandria, Virginia. The plant is currently operating one of its five 88 MW units but planned work on two key Pepco power lines at separate times this month will force the plant to increase production continuously for two weeks. The plant was shut on August 24 when Virginia environmental officials ordered it to reduce pollution emissions. Last month, the DOE ordered Mirant to step up operations, saying the plant's energy is necessary to prevent a blackout in Washington D.C., should both Pepco's power lines fail.

<http://www.washingtonpost.com/wp-dyn/content/article/2006/01/11/AR2006011100775.html>

<http://www.platts.com/Electric%20Power/News/6151391.xml?S=n>

Bruce to Refurbish and Restart Two 750 MW Nukes in Ontario

Bruce Power has contracted a joint venture to refurbish and restart units 1 and 2 at the Bruce A station in Ontario. The project, which will return 1,500 MW of electricity, begins immediately and will be completed in mid 2009.

<http://www.newswire.ca/en/releases/archive/January2006/10/c1288.html>

Appalachian Power Applies to Build 600 MW IGCC Plant in West Virginia

Appalachian Power has filed an application with the Public Service Commission of West Virginia seeking approval to build a 600 MW Integrated Gasification Combined Cycle (IGCC) electric generating unit at its Mountaineer Plant in West Virginia.

<http://biz.yahoo.com/prnews/060112/clth005.html?v=36&printer=1>

Update: California PUC Approved \$2.9 Billion Solar Plan

The California Public Utilities Commission approved a massive \$2.9 billion plan to add 3,000 MW of solar generation in the state over a period of eleven years. If fully implemented, the plan would be responsible for the installation of solar systems on one million roofs.

Reuters 14:51, January 12, 2006.

Output at Entergy's 684MW Pilgrim Nuclear Facility Drops to 15 Percent

Entergy cut the output at its Pilgrim nuclear generating station in Massachusetts to 15 percent of capacity by early January 12, according to the daily report of the Nuclear Regulatory Commission.

Reuters 9:32, January 12, 2006.

Texas Genco's 560 MW Coal-fired Unit 7 at its WA Parish Facility in Texas Shut January 12.

Texas Genco shut the 560 MW unit 7 at the WA Parish generating plant for unplanned maintenance on January 12. The company anticipates that the unit will return to service on January 13. Reuters 7:16, January 12, 2006.

The 528 MW Coal-fired Unit 3 at AEP's Welsh Facility in Texas Shut by Leak

AEP has shut the 528 MW coal-fired unit 3 at its Welsh generating plant in Titus County, Texas. AEP shut the plant to repair a boiler tube leak and anticipates that the repairs could be completed early on January 12. However, AEP indicated that once the restart process begins, it will be several days before the unit is fully operational.

Reuters 7:26, January 12, 2006.

Petroleum

Two Attacks Cut Nigerian Oil Output by 226,000 b/d

Two attacks on Royal Dutch Shell oil facilities in Nigeria have cut output by about a quarter of a million b/d or about 10 percent of Nigeria's total daily production of crude oil. In the first attack on Jan. 11, unidentified armed men kidnapped four foreign oil workers from the offshore EA platform, forcing Shell to evacuate personnel and to shut the 120,000 b/d operation. In addition, an explosion on a major crude oil pipeline cut exports from the Forcados area by about 100,000 b/d. This is the third time in just over a year that Shell workers have been taken hostage. It has not been determined if the attacks were coordinated or if they have any connection with pipeline attacks last month that led Shell to declare force majeure.

http://today.reuters.co.uk/news/newsArticle.aspx?type=businessNews&storyID=2006-01-12T140044Z_01_KNE229712_RTRUKOC_0_UK-NIGERIA-KIDNAP.xml.

<http://www.forbes.com/markets/feeds/afx/2006/01/12/afx2445744.html>.

<http://www.newsday.com/news/nationworld/wire/sns-ap-nigeria-kidnapped-oil-workers.0.7962510.story?coll=sns-ap-nationworld-headlines>

Reuters 12:44, January 12, 2006.

Storms Force Statoil to Further Reduce North Sea Output

A severe storm that is preventing tankers from taking on crude oil, has forced Statoil to further reduce output from its Nome field in the North Sea. Because of limited storage capacity at the site, Statoil has reduced production by approximately 75,000 b/d.

Reuters 7:06, January 12, 2006.

Natural Gas

Update: Quoddy Bay Begins FERC Pre-Filing for LNG Import Terminal in Maine

FERC has approved Quoddy Bay LLC's request to begin the environmental pre-filing process for its proposed 2,000 MMcf /d LNG import terminal on a Native Indian reservation at Split Rock, Maine, and a storage project in Perry. The facility would include a half-mile long pier, storage tanks and a 40-mile pipeline which will connect with an existing system to transport the gas throughout Maine and into southern New England.

<http://powermarketers.netcontentinc.net/newsreader.asp?ppa=8kowu%5D%5BfksvwtpUTfc%7D38%7Dbfel%5Dv>.

Update: Voters Approve Downeast LNG Import Terminal in Maine

Voters have approved a referendum that gives Downeast LNG the green light to move forward with plans to build a 500 MMcf/d LNG terminal in Robbinston, Maine. The next step is to continue with the environmental permitting process.

<http://www.bangornews.com/news/templates/?a=126777>.

Site Preparation Begun at Pierce Junction Underground Storage Facility

According to Industrial Information Resources, Incorporated, Underground Storage LLC has begun the site preparation at the Pierce Junction natural gas storage facility located in Houston. Reuters 9:45, January 12, 2006.

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>.

EIA: Hurricanes Pushed Petroleum-fired Generation Up 43% in Oct. 2005

Following the damage to Gulf Coast and Gulf of Mexico production and pipeline infrastructure from last year's hurricanes, natural gas consumption for power generation and thermal output plummeted 9% to 492,400 MMcf in October compared to the same month in 2004. EIA said the bulk of the lost fuel was made up by a 43.1% increase in petroleum liquids consumption by generators. October 2005 net generation fell nearly 10% from September levels to 315 million MWh but was up 0.8% from October 2004 levels.

<http://powermarketers.netcontentinc.net/newsreader.asp?ppa=8kowu%5D%5Bfksv wtpUTfc%7D38%7Dbfel%5Dv>.

MMS: Activity in Deepwater Gulf of Mexico Suffers Few Lasting Effects from 2005 Hurricanes, Spending to Double

According to Natural Gas Intelligence, MMS reports that deepwater exploration and development in the Gulf of Mexico is moving full steam ahead despite the widespread destruction of infrastructure from Hurricanes Katrina and Rita last year, the lengthy and expensive restoration process and the ongoing risks of offshore operations. NGI also reports that deepwater spending will nearly double in the next five years especially in the Gulf of Mexico and West Africa.

<http://powermarketers.netcontentinc.net/newsreader.asp?ppa=8kowu%5D%5Bfksv wtpUTfc%7D38%7Dbfel%5Dv>.

Gulf Coast and Louisiana Shut-in Production Per Day			
January 12, 2006*			
	Gulf Coast	Louisiana	Total
Gas (MMcf/day) % of normal	1,805 18.1%	614 27.5%	2,419 19.8%
Oil (bbls/day) % of normal	402,259 26.8%	79,226 39.0%	476,012 27.9%

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

*Sources: [U.S. MMS](#), January 11, 2006 and [Louisiana DNR](#), January 12, 2006.

Gulf Coast Cumulative Shut-in Production		
Ivan vs. Katrina/ Rita		
	Ivan 9/13/04 - 02/14/05	Katrina/ Rita 8/26/05 - 1/11/06
Gas (MMcf)	172,259	585,308
Oil (bbls)	43,841,245	114,042,425

Source: [U.S. MMS](#), January 11, 2006.

Louisiana Pipeline Operation			
January 12, 2006			
Total	Open	Partially Open	Shut-in
55	18	16	21

Source: [Louisiana DNR](#), January 12, 2006.

Other News

Nothing to Report.

Energy Prices

U.S. Oil and Gas Prices			
January 12, 2006			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	63.96	62.79	46.46
NATURAL GAS Henry Hub \$/Million Btu	8.70	9.29	5.89

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.