



ENERGY ASSURANCE DAILY

Friday, January 12, 2007

Electricity

Oklahoma Governor Declares State of Emergency in all 77 OK Counties Due to Approaching Ice Storm

There are no power outages at press time, but many are expected throughout the Texas panhandle, Oklahoma, southwestern Kansas and Missouri by later tonight as an ice storm passes through these states and brings down power lines. Illinois is expecting trouble by Saturday from this storm as well.

http://cbs11tv.com/local/local_story_012160508.html

<http://www.cnn.com/2007/WEATHER/01/12/ice.storm/index.html>

Xcel's 540 MW Tolk Coal-fired Unit 2 in Texas Returns to Service January 12

Reuters, 10:41 January 12, 2007

AEP's 675 MW Pirkey Coal-fired Unit in Texas Returns to Service January 12

Reuters, 10:41 January 12, 2007

LADWP's 1,385 MW Castaic Hydro Unit in California Returns to Service January 12

Reuters, 10:41 January 12, 2007

Reliant's 320 MW Etiwanda Gas-fired Unit 4 in California Shut January 11

Reuters, 10:41 January 12, 2007

SCE's 1,100 MW San Onofre Nuke Unit 3 in California Back at Full Power January 11

The unit had been trimmed to 29 percent of capacity because of an air leak over the past few weeks. Workers found the leak and fixed the problem.

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7648582

Joint Venture to Develop World's Largest Wind Farm in Northwest British Columbia

Katabatic Power will form a joint venture with Deutsche Bank to develop the proposed 3,000 MW Banks Farm Wind Farm located in Northwest British Columbia. The first 700 MW phase of the project will be developed over the next two years with construction to commence in early 2009.

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7648859

Oil Daily, January 12, 2007

BP Alternative Energy to Construct 5 Wind Power Projects in U.S.

The company announced that it planned to begin construction on five wind power projects in the United States in 2007, adding a combined 550 MW of generation. The projects will be located in California, Colorado, North Dakota and Texas. The biggest of the five projects is the 300 MW Cedar Creek wind power project in Colorado which is expected to be in operation in the second half of 2007.

<http://www.platts.com/Electric%20Power/News/6338408.xml?p=Electric%20Power/News&sub=Electric%20Power>

Petroleum

Western Refining's 116,000 bpd Refinery in El Paso, Texas Reports Flaring January 11

The flaring was caused by a plugged tail gas unit.

Bloomberg News, 15:12 January 11, 2007

Chevron's 240,000 bpd Refinery in Richmond, California Releases Unusual Amount of Nitrous Oxide and Sulfur Dioxide January 11

Bloomberg News, 10:28 January 12, 2007

BP Pulls Two Alaskan-U.S. West Coast Oil Tankers Out of Service

Both of the tankers lost anchors at sea in December and are waiting in Washington to get replacements. Two other ships of this class which can hold 1.3 million barrels of crude oil will have their anchors replaced after they unload their next cargo.

Reuters, 13:52 January 12, 2007

U.S. Gulf of Mexico Oil Production to Return to Peak Levels in 2007 – Oil Daily

According to Oil Daily, oil production in the U.S. Gulf of Mexico this year is expected to finally reestablish peak levels attained before Hurricanes Katrina and Rita in 2005. In addition to the restoration of volumes lost to hurricane damage, output will be increased by the delayed start-up of BP's Atlantis deepwater field which holds more than 600 million barrels of reserves. Atlantis is scheduled for a mid-2007 start-up and output will ramp up to 180,000 b/d.

http://www.energyintel.com/PublicationHomePage.asp?publication_id=4

Update: Hibernia Oil Field in Canada Halves Output of Crude Oil -- Traders

Hibernia officials have not released any estimates on the amount of lost output.

Reuters, 17:17 January 11, 2007

Venezuela to build New Refinery in Nigaragua – Chavez

On January 11, President Chavez of Venezuela announced that the country will build a 150,000 bpd refinery in Nicaragua Daniel Ortega, the new President. Initially the refinery will be used to support internal needs of Nicaragua, but the plan is for the refinery to be able to eventually export some of the products.

Reuters, 19:37 January 11, 2007

Natural Gas

Williams' Cameron Meadows Natural Gas Processing Plant Back to Full Capacity

The Williams Companies announced that it reached its full capacity of 500 MMcf/d on Friday, January 12.

NGI, *Daily Gas Price Index*, January 12, 2007, <http://intelligencepress.com/>

FERC Approves 525 MMcf/d Millennium Pipeline Project to Bring NatGas to Northeast

The Federal Energy Regulatory Commission has approved an interstate natural gas pipeline project that will deliver 525 MMcf/d to meet rising energy demand in New York. The Commission previously approved the original Millennium Pipeline Project in an order issued September 19, 2002. However, the project was never built after failing to obtain necessary regulatory approval from the State of New York.

<http://www.poweronline.com/content/news/article.asp?docid=%7BAAA60628-8870-4EE0-A3BE-42512D5ADF3E%7D&VNETCOOKIE=NO>

FERC Approves Two Bluewater Gas Storage Reservoirs in Michigan

Following the FERC approval, Bluewater Gas Storage announced that it was holding an open season for firm capacity beginning April 1. The two sites have a combined working capacity of 26 Bcf.

NGI, *Daily Gas Price Index*, January 12, 2007, <http://intelligencepress.com/>

Oil Daily, January 12, 2007

Other News

Increasing Ethanol Demand Eating up Corn Surplus

The U.S. Department of Agriculture (USDA) estimates that when this year's corn crop is ready to be harvested in August 2007, the U.S. will be left with only a three-week supply of corn; that is the lowest amount since 1996/1997. The USDA estimates that ethanol producers used about 20% of the 2006 corn crop and believe that they will use about 44 percent more corn in 2007.

Reuters, 11:39 January 12, 2007

Energy Prices

U.S. Oil and Gas Prices			
January 12, 2007			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	52.96	56.05	63.96
NATURAL GAS Henry Hub \$/Million Btu	5.97	5.52	8.70

Source: Reuters

Energy Notes

Update: About 4,000 NPPD Customers Remain Without Power in Nebraska, Restoration Work Could Continue Into February

<http://ap.theindependent.com/pstories/state/ne/20070111/137372602.shtml>

Update: New Siren System at Indian Point Nuclear Plant Delayed

<http://www.platts.com/Nuclear/News/7009931.xml?p=Nuclear/News&sub=Nuclear>

OPPD to Build 345 kV Transmission Line in Nebraska

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7649454

EIA Sees Substantial LNG Rebound in U.S. in 2007

<http://intelligencepress.com/>

Saudi Arabia's 500,000 b/d Khursaniyah Oil Field on Schedule to Begin Producing in 4Q

Oil Daily, January 12, 2007

Nigerian Hostage Takers Release 9 South Korean and 1 Nigerian Oil Workers

Reuters, 13:29 January 12, 2007

Bloomberg News, 13:00 January 7, 2007

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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