

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



ENERGY ASSURANCE DAILY

January 17, 2006

Electricity

High Winds Knock Out 35,000 Duke Customers in North Carolina

Wind gusts that topped 70 mph in some places caused trees to fall knocking out power to 35,500 Duke Power customers in Western North Carolina on Jan. 14. Only scattered outages remain today.

<http://www.citizen-times.com/apps/pbcs.dll/article?AID=/20060116/NEWS01/60116004/1001>.

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

Appalachian Power has filed an application for a Certificate of Public Convenience Necessity with West Virginia's Public Service Commission to build a 600 MW coal gasification power plant unit in Mason County. According to company officials, the plant would be built beside the company's New Haven Mountaineer Plant, but wouldn't open until around 2011 or 2012.

<http://sundaygazette.com/section/News/2006011239>.

Update: Pickering Unit 1 Returns to Service

The 515 MW unit 1 at OPG's Pickering Power plant in Ontario returned to service following a brief outage to allow workers to inspect and repair a transformer pump.

Reuters 11:05, January 17, 2006.

OPG's 515 MW Unit 8 at its Pickering Facility in Ontario Shut January 17

OPG shut the 515 Mw unit 8 at its Pickering facility in Ontario to inspect controls of the steam turbine.

Reuters 11:05, January 17, 2006.

OPG's Nanticoke Coal-fired Unit 1 Returned to Service by January 16

Reuters 15:58, January 17, 2006.

OPG's Nanticoke Coal-fired Unit 8 Returned to Service by January 16

Reuters 15:58, January 17, 2006.

OPG's 215 MW Coal-fired Atikokan Unit Shut January 17, 2006

Reuters 15:58, January 17, 2006.

Bruce Power's 750 MW Unit 3 at the Bruce Nuclear Generating Station in Ontario Shut January 17

Reuters 10:57, January 17, 2006.

Duke's 510 MW Gas-fired Unit 2 at its Moss Landing Power Plant in California Shut January 17

Reuters 9:27, January 17, 2006.

Entergy's 825 MW FitzPatrick Nuke in New York Reduced to 65% January 17

The unit was reduced to adjust the arrangement of control rods in the reactor.

Reuters 9:21, January 17, 2006.

Exelon's 864 MW Quad Cities 1 Nuke in Illinois Shut January 17

Reuters 15:58, January 17, 2006.

Exelon's 864 MW Quad Cities 2 Nuke in Illinois Shut January 17

Reuters 15:58, January 17, 2006.

Xcel Energy Inc's 522 MW Unit 1 at the Prairie Island Nuke in Minnesota Reduced to 40% on January 17

Power was reduced to fix a leak in tubes that bring cooling water into the plant.

Reuters 7:45 January 17, 2006

Reuters 10:03 January 17, 2006

Southern's 883 MW Unit 2 at the Hatch Nuke in Georgia Reduced to 65% on January 17

The unit was reduced to repair a water heater.

Reuters 7:32 January 17, 2006

Reuters 10:53 January 17, 2006

Entergy's 684 MW Pilgrim Nuke in Massachusetts Up to 80% January 17

The unit was taken off line January 12 to test an auxiliary transformer.

Reuters 7:22 January 17, 2006

TVA's 1,150 MW Browns Ferry 3 Nuke in Alabama Shut January 15

The unit was shut to perform maintenance on water pumps.

Reuters 11:13 January 17, 2006

Palo Verde Running at 32 Percent, Operator Unsure of When it Will Ramp Up

Arizona Public Service Company, the operator of Palo Verde Nuclear Generating Station, reports that unit 1 is currently operating at 32 percent of capacity and that it will not ramp up further until additional work can be done on pipes at the plant. There is no firm estimate on how long unit 1 will operate at reduced power.

<http://www.chron.com/disp/story.mpl/prn/texas/3590740.html>.

Plum Point to Build 665 MW Pulverized Coal Power Plant in Arkansas

Plum Point Energy Associates has contracted the engineering, procurement and construction of a 665 MW pulverized coal plant in northeast Arkansas.

<http://stlouis.bizjournals.com/stlouis/stories/2006/01/16/daily7.html>.

FirstEnergy to Apply for Davis-Besse Nuclear Plant Operating Extension

FirstEnergy Corp. has told the Nuclear Regulatory Commission it intends to submit its application for operating license extension in December, 2008 for its Davis-Besse Nuclear Power Station in Oak Harbor, Ohio. The pursuit of the extension may begin before the final court rulings are made about the plant's two-year shut down after the near rupture of its old reactor head in 2002, an event that has been described by several NRC officials as the nuclear industry's biggest safety lapse since the partial meltdown of the Three Mile Island Unit 2 nuclear plant in eastern Pennsylvania in 1979. Davis-Besse went online in April, 1977. Its 40-year operating license expires in April, 2017.

<http://toledoblade.com/apps/pbcs.dll/article?AID=/20060116/NEWS08/60116007/-1/NEWS>.

Update: Missouri to Sue AmerenUE For Taum Sauk Collapse

Missouri Gov. Matt Blunt has asked Attorney General Jay Nixon to bring civil or criminal charges against AmerenUE for the collapse of the Taum Sauk reservoir after an investigation by the Missouri Department of Natural Resources revealed that Ameren supervisors had been warned about the potential collapse less than three months before the rupture. The e-mail from Richard Cooper, superintendent of Ameren's Taum Sauk Hydroelectric Plant, said water had overflowed the northwest wall of the reservoir on Sept. 25. He said the overflow had washed away rock at the base of the reservoir wall, leaving trenches a foot deep in some areas. <http://www.centredaily.com/mld/centredaily/business/13639752.htm>.

Petroleum

Concerns About Nigeria and Iran Propel Crude Oil Above \$66: Highest Level Since October 3

The spot price of crude oil surged up by more than two dollars per barrel to close at \$66.36 the highest price since October 3, a jump of \$2.40 /bbl or nearly a four percent gain over the previous closing price. The market reacted to increased violence and threats of additional violence against the oil industry in Nigeria and to the continued dispute over resumption of its nuclear research program by Iran.
Reuters 15:06, January 17, 2006.

Militants Launch Third Attack on 100,000 b/d Platform in Nigeria, Production Shut

On Jan. 15 "heavily armed" militants in speed boats launched yet a third attack on Shell oil facilities, damaging the Benisede oil platform in the southern Niger Delta and curtailing its 100,000 b/d production. Nigerian soldiers guarding the platform returned fire but it was unclear if they lost control of the platform. <http://www.theglobeandmail.com/servlet/story/RTGAM.20060115.wnige0115/BNStory/International/>.

Update: Shell Evacuates Workers from Nigeria, Ups Force Majeure to 210,000 b/d

Shell Petroleum Development Company announced that it is evacuating more than 300 workers from four of its flowstations that have been under attack in the Niger Delta and has declared force majeure on the production from its EA field. With the closing of the 115,000 b/d EA field, Shell has declared force majeure on some 210,000 b/d of production. (Production is still shut at the 106,000 b/d Forcados field and the force majeure declared by Shell on January 13 remains in effect). Militants vowed in an e-mail to cripple crude oil production in the Niger Delta and promised to carry out another attack shortly that will "set Nigeria back 15 years and cause incalculable losses." A senior oil industry official told Reuters that Shell was considering pulling more staff out of the western delta, raising the prospect of more supply cuts from Nigeria.

Reuters 12:22, January 17, 2006.

Reuters 5:34, January 16, 2006.

<http://www.platts.com/Oil/News/8248107.xml?S=n>.

<http://www.thisdayonline.com/nview.php?id=38321>.

<http://www.cnn.com/2006/WORLD/africa/01/17/nigeria.oil.reut/>.

Statoil Restores Production NOME Filed in North Sea

Statoil announced that production has been restored at its NOME offshore field that had been shut for several days when a storm made it impossible for ships to take on cargoes of crude oil from the facility. Production has reached 119,500 b/d by January 16.

Reuters 7:38, January 17, 2006.

Cold Weather Cuts Russian Oil Production by 200,000 b/d

With temperatures ranging between 30 and 51 below zero over the course of the past week the extremely cold weather has cut crude oil production in West Siberia by as much as 200,000 b/d. Although it is not unusual for some production to be shut at this time of year, this is the largest cut in production in several years.

Reuters 10:34, January 17, 2006.

Cat Cracker Shut at Citgo's Corpus Christi Refinery

Citgo announced that a catalytic cracking unit at its 165,000 b/d refinery in Corpus Christi was shut on January 15 in order to perform unplanned work. The company did not provide an estimate as to when the unit would be returned to service.

Reuters 13:17, January 17, 2006.

Reports that Iraqi Crude Exports Flowing to Turkey Premature – Line is Being Tested

Reports that Iraqi crude flows had been resumed through the northern pipeline to Turkey proved to be untrue. However, workers are testing the line in preparation for a restart. The line has been shut since the end of December following an attack that cut the line only one week after it had been reopened following repairs from earlier attacks.

Reuters 5:38, January 17, 2006.

Australian Production Shut by Cyclone Slowly Coming Back On Line

Production is slowly returning to something like normal at the Western Australian Mutineer-Exeter, Griffin and Legendre offshore fields that were shut by a cyclone. However, restart of production at the Cossack field has been delayed due to unspecified technical problems.

Reuters 5:34, January 17, 2006.

Tanker Truck Explodes on New York City Highway

A tanker truck carrying 8,000 gallons of gasoline overturned and caught fire on the Brooklyn-Queens Expressway Jan. 16, burning down an overpass and closing down the highway. The tanker had just taken a load at the company's Brooklyn Terminal in Inwood and was scheduled to make routine deliveries when the crash occurred.

<http://www.newsday.com/news/local/newyork/nyc-fire0116.0.7433196.story?track=mostemailedlink>.

DHS on Lookout for Man Possibly Planning Attack with Tanker Trucks

The U.S. Department of Homeland Security is looking for a man who has been taking photographs of tanker equipment, videotaping tank truck operations and who has on three separate occasions asked truck drivers questions about deliveries and operations. While the man's suspicious behavior is not illegal, officials fear that terrorists may attempt to use a large vehicle or hazardous cargo as a weapon in an attack.

<http://www.cnn.com/2006/US/01/12/trucker.lookout/index.html>.

Natural Gas

AES Proposes 1.5 Bcf/d LNG Terminal at Sparrows Point in Maryland

AES Corp. has proposed to build a 1.5 Bcf/d liquefied natural gas terminal on the site of the former Sparrows Point shipyard in Baltimore County, Maryland. The plan includes a marine terminal, storage tanks and an 85-mile pipeline that would connect to an existing natural gas distribution center in suburban Philadelphia. The project is still in the preliminary discussion phase but could be operational by 2010.

<http://www.wvec.com/sharedcontent/APStories/stories/D8F4IOM06.html>.

Antifreeze Pipeline Leaking at Sable Offshore Project Off Nova Scotia

The Canada-Nova Scotia Offshore Petroleum Board ordered the shutdown of a three-inch antifreeze pipeline at the ExxonMobil's Sable Offshore Project when it was discovered to be leaking antifreeze into the ocean on Jan. 14. ExxonMobil had said that it would shut the pipeline only after 24 to 48 hours, the time it takes to inject enough antifreeze into the main 50 km natural gas pipeline to prevent it from freezing and becoming damaged. The antifreeze pipeline supplies the Alma platform, which produces 100 MMcf/d, a quarter of Sable's daily output. ExxonMobil said that there will be no decrease in production from the platform.

<http://canadaeast.com/apps/pbcs.dll/article?AID=/20060113/CPA/33526023>.

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 17, 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 17, 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 17, 2006			
Total	Open	Partially Open	Shut-in
55	18	16	21

Source: [Louisiana DNR](#), January 17, 2006.

Other News

Software Problem Hinders Powder River Basin Coal Delivery in Wyoming

According to reports from coal officials, a "software problem" is hindering dispatch of coal trains on the 127 mile Powder River Basin Joint Line, which runs from Shawnee Junction, Wyoming to Gillette, Wyoming.

<http://www.platts.com/Coal/News/7205259.xml?S=n>.

Energy Prices

U.S. Oil and Gas Prices			
January 17, 2006			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	66.36	63.41	48.41
NATURAL GAS Henry Hub \$/Million Btu	8.82	8.60	6.45

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.