



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

# ENERGY ASSURANCE DAILY

Friday, January 27, 2006

## *Electricity*

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### **Power Outage for Nearly 25,000 in Chesapeake, Virginia January 26**

A power outage caused by a fault in an underground transmission line resulted in an outage to nearly 25,000 Dominion Virginia Power customers in Chesapeake, Virginia between 7:00 p.m. and 8:30 p.m. on January 26. <http://www.wavy.com/Global/story.asp?S=4418960&nav=23ii>

### **Update: SCE's 527 MW Gas-fired Mountain View Unit 4 power Begins Commercial Operations**

Southern California Edison Co. has announced that the 527 MW unit 4 at its new combined-cycle natural gas-fired Mountain View power plant in Redlands, California entered commercial operations on January 19. This is the second of two units to start regular commercial operation at the plant. Unit 3 at the 1,054 MW Mountain View plant became operational on Dec. 10, 2005.

Reuters, 18:00 January 27, 2006.

### **Update: FPL's 839 MW St. Lucie Nuke Ramps Up to 85 Percent Power in Florida**

FPL Group Inc.'s 839 MW unit 2 at the St. Lucie nuclear power station in Florida ramped up to 85 percent of capacity by early January 27. On Jan 26., the unit was operating at 30 percent after exiting an outage earlier in the week. The company shut the unit on January 20 to fix a condenser leak that was allowing salt water to enter the secondary cooling system.

Reuters, 07:05 January 27, 2006.

## *Petroleum*

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### **Delek's 55,000 b/d Tyler, Texas Refinery Returns to Service**

Delek U.S. Holdings' 55,000 b/d Tyler, Texas, refinery is back at normal operation after repairs that took about 24 hours. The refinery's sulfur recovery unit shut late January 24 to make necessary repairs to the boiler.

Reuters, 18:48 January 26, 2006.

### **Western to Restart 52,000 b/d El Paso Refinery on February 5**

Western Refining Inc. plans to begin restarting the 52,000 b/d south plant at its 108,000 b/d refinery in El Paso, Texas, on February 5. The south plant was closed on January 22 for an overhaul of machinery including the refinery's 31,500 b/d gasoline-producing fluidic catalytic cracking unit.

Reuters, 11:43 January 27, 2006.

### **Crude Unit Out at Valero's McKee Refinery in Texas**

Valero informed marketers in the area that a crude unit at its McKee refinery has been shut down due to a safety related problem. The company anticipates that the unit will be out of service for between seven and ten days and indicated that supplies could be impacted by the outage.

OPIS, 11:57 January 27, 2006.

**Chevron Says that 20,000 boe/d of Gulf Production Unlikely to be Restored**

Chevron announced approximately half of its 300,000 boe/d of production in the Gulf of Mexico is still shut down from damage done by hurricanes Katrina and Rita in 2005. The company also indicated that as much as 20,000 boe/d of production still offline could be deemed uneconomic to recover and never brought back online. Bloomberg, 12:02 January 27, 2006.

**Iraq's Basra Exports Resume After Bad Weather**

Iraq's crude oil exports from Basra in the south resumed on January 27 after being halted for five days due to bad weather. The Basra terminal offshore in the Gulf handled most of Iraq's 1.5 million b/d of exports last year. Reuters, 12:41 January 27, 2006.

**TNK-BP Cancels Some January Fuel Oil Exports, February Exports to be Curbed**

TNK-BP has cancelled some of its January fuel oil exports and will trim them in February to meet local demand. "We received several emergency requests for prompt fuel oil and despite the fact that all volumes had been already sold for exports we unilaterally re-routed these volumes and gave them to local regions," TNK-BP vice-president for trading Jonathan Kollek told Reuters. He did not comment on the volumes involved. Reuters, 10:50 January 27, 2006.

**Cold May Cut Russian Oil Output By 100,000 b/d**

TNK-BP reports that cold weather has reduced output at some Siberian oilfields by up to four percent and could have cut total Russian oil output by up to one percent, which is equal to slightly less than 100,000 b/d. Oil workers cannot carry out routine work on fields when temperatures fall below minus 38 Fahrenheit. Output reduction in Russia has been sporadic since January 6 when severe cold weather first affected operations. Officials say the drop may affect Russian oil exports, depending on the levels of storage that companies have to draw on to meet obligations.

Reuters, 10:30 January 27, 2006.

**No Date Set by Statoil for Restart of Visund**

Statoil has set no date for the restart of its Visund oil and gas field in the North Sea. The field was shut down a week ago when a major gas leak was discovered. The field produces approximately 175 MMcf/d of natural gas and between 35,000 and 40,000 b/d of oil.

Reuters, 09:35 January 27, 2006.

**Nigerian Militants Single Out Shell for More Possible Attacks**

The Movement for the Emancipation of the Niger Delta, which took four Shell oil workers hostage on January 11, has threatened to attack the company again and seeks to take additional hostages. The group also said that it aims to cut Nigerian oil production by 20 percent, or about 450,000 b/d. At present, approximately 10 percent of Nigeria's oil production has been shut due to attacks on Shell's oil infrastructure in the Niger Delta.

Bloomberg, 10:34 January 27, 2006.

## *Natural Gas*

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**Safe Harbor LNG Plant Proposed for Long Island**

Atlantic Seas Island Group LLC was expected to announce plans on January 26 for its Safe Harbor LNG terminal to be constructed near Long Island. According to sources, the development would take place on a man-made island in the Atlantic Ocean just off the south shore of Long Island.

Natural Gas Intelligence, January 26, 2006.

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

**FERC Approves Pre-filing Process for Proposed Downeast LNG Terminal in Maine**

The Federal Energy Regulatory Commission (FERC) approved a request from Downeast LNG to begin the pre-filing process for the proposed LNG terminal in Robbinston, Maine.

Natural Gas Intelligence, January 26, 2006.

<http://powermarketers.net/contentinc.net/newsreader.asp?ppa=8kowu%5D%5Bfmrrlr%5BUlh%7D38%7Dbfel%5D>  
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**FERC Approves Phase I of Entrega Gas Pipeline Project**

Phase I of the 330 mile Entegra gas pipeline received approval from the FERC to begin service. The 136 mile long segment will carry 750 MMcf/d from Meeker, Colorado to Wamsutter, Wyoming.

Natural Gas Intelligence, January 26, 2006.

<http://powermarketers.net/contentinc.net/newsreader.asp?ppa=8kowu%5D%5Bfmrrlr%5BUlh%7D38%7Dbfel%5D>  
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**Other News**

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**Barge Accident Closed Stretch of Ohio River**

The Coast Guard announced on January 27 that a five mile section of the Ohio River near Louisville, Kentucky was closed to traffic following an accident that occurred when a barge slipped a tow line drifted over a spillway and became lodged against a bridge. The barge, carrying 20,000 bbls of asphalt and 14,000 gallons of diesel fuel has reported leaked an unknown amount of fuel.

Reuters, 10:48 January 27, 2006

**Energy Prices**

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| <b>U.S. Oil and Gas Prices</b>      |              |                 |                 |
|-------------------------------------|--------------|-----------------|-----------------|
| January 27, 2006                    |              |                 |                 |
|                                     | <b>Today</b> | <b>Week Ago</b> | <b>Year Ago</b> |
| <b>CRUDE OIL</b>                    |              |                 |                 |
| <b>West Texas Intermediate U.S.</b> | 67.81        | 68.16           | 47.15           |
| \$/Barrel                           |              |                 |                 |
| <b>NATURAL GAS</b>                  |              |                 |                 |
| <b>Henry Hub</b>                    | 8.19         | 8.80            | 6.23            |
| \$/Million Btu                      |              |                 |                 |

Source: Reuters

**Energy Notes**

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**Mackenzie Valley Pipeline Hearings Underway**

<http://calsun.canoe.ca/Business/2006/01/26/1412112-sun.html>

**Tritium Levels Around Braidwood Nuclear Plant Worry Nuclear Watchdog**

[http://pro.energycentral.com/professional/news/power/news\\_article.cfm?id=6274768](http://pro.energycentral.com/professional/news/power/news_article.cfm?id=6274768)

**DOE Says Los Alamos Must Expand Nuclear Waste Dump**

[http://pro.energycentral.com/professional/news/power/news\\_article.cfm?id=6275678](http://pro.energycentral.com/professional/news/power/news_article.cfm?id=6275678)

**OPEC President: If Iran Cuts Production, OPEC Unlikely to Intervene**

Reuters, 06:55 January 27, 2006

**World Has Adequate Energy Resources, Say OPEC, Shell, IEA**

Bloomberg 13:14 January 27, 2006

**If Talks Fail Strike Possible: Norwegian Oil and Gas Output Could be Cut in February**

Bloomberg, 09:00 January 27, 2006.

**Ships Collide in Suez Canal – No Impact on Canal Operations**

Reuters, 10:19 January 27, 2006

**Istanbul's Bosphorus Opens for Tanker Traffic after Four Day Snow and Fog Closure**

Reuters, 11:18 January 27, 2006.

**Links**

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*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](http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html)

Updated after 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.

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