



ENERGY ASSURANCE DAILY

Monday, February 05, 2007

Electricity

Update: Power Restored to 75,000 Florida Customers After Severe Tornado February 2

On Friday morning a powerful tornado hit Central Florida, damaging or destroying several hundred homes and cutting electricity to approximately 75,000 customers. Power was fully restored to those customers capable of receiving power on February 3. Progress Energy reported power had been restored to approximately 45,000 of its customers by 9 p.m. on February 3. Sumter Electric Cooperative reported power restored to more than 10,000 of its customers by 11:30 p.m. on February 2. Florida Power and Light reported power restored to all of its customers by 1:00 p.m. on February 3.

<http://www.progress-energy.com/aboutus/news/article.asp?id=15682>

<http://www.secoenergy.com/>

DOE Extends Emergency Operating Order for Mirant's 482 MW Potomac River Coal-fired Plant in Virginia

U.S. Energy Secretary Samuel Bodman has extended the power plant's emergency operating order, instructing the facility to operate under certain mitigating restrictions until July 1, 2007. In December 2005, Bodman ordered the plant to continue operating due to a shortage of electricity generation and transmission to central Washington D.C. Bodman concluded that the emergency situation still exists after discussions with the U.S. Environmental Protection Agency, a review of public comments by the U.S. Department of Energy, and an analysis of the current situation. For the full text of the order see: http://www.oe.energy.gov/DocumentsandMedia/Order_No._202-07-2.pdf

Update: Entergy's 1,001 MW Arkansas Nuke Unit 2 in Arkansas Back at Full Power February 5

The unit, which shut on January 25 due to a dropped control rod assembly, exited an outage and ramped up to full power by early Monday.

Reuters, 07:34 February 5, 2007

Update: Southern Co.'s 924 MW Hatch Nuke Unit 1 in Georgia Ramps Up to 54 Percent February 5

The unit, which was shut on January 30 to repair main condenser tubes, exited an outage and ramped up to 54 percent of capacity by 11:30 a.m. Monday.

Reuters, 07:25 February 5, 2007

Bloomberg News 12:04 February 5, 2007

Scana's 1,000 MW Summer Nuke Unit in South Carolina Shut February 5

The company shut the unit due to a steam leak related to a recirculation line. Scana said that repair work has begun, and that the unit will hopefully be operating normally in the next few days.

Bloomberg News, 10:54 February 5, 2007

LS Power's 337 MW Morro Bay Gas-fired Unit 3 in California Shut February 4

Reuters, 12:07 February 5, 2007

Edison Mission's 590 MW Sunrise Gas-fired Unit in California Shut February 4

Reuters, 12:07 February 5, 2007

Georgia Power's Latest Resource Plan Calls for Two New Nukes

Among the provisions of the integrated resource plan filed with the Georgia Public Service Commission last week by Georgia Power were plans to add two new nuclear power plants at its existing Vogtle site.

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7753323

PGE Delays Startup of 400 MW Port Westward Plant Until Late April

Citing a shortage of labor and other minor problems, Portland General Electric (PGE) has delayed the target date for the startup of its 400 MW gas-fired Port Westward plant from early March until late April.

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7753523

Unexpected Drop in Cooling Water Level at Indian Point Nuke Results in 'Unusual Event' but Does Not Take Unit Offline in New York February 5

Although the Indian Point nuclear generating station in New York experienced an unexpected drop in the level of its cooling water, the plant was able to keep operating. The problem apparently resulted from debris clogging intake screens that, in combination with a very low tide, combined to cause the drop in level.

http://biz.yahoo.com/ap/070205/ny_indian_point.html?.v=1

Petroleum

Leak Shuts Enbridge's 310,000 b/d Line 14 Pipeline in Wisconsin February 2-3

Adjacent 630,000 b/d Line 6A Pipeline Shut 5 Hours as Precaution

On Saturday, Enbridge Inc. restarted its damaged 310,000 b/d Line 14 pipeline that carries Canadian crude oil from Superior, Wisconsin to Chicago, after repairing a punctured segment. A construction crew working for Enbridge ruptured the pipeline on Friday, spilling some 2,000 barrels of crude oil in Rusk County, Wisconsin. Enbridge's 630,000 b/d Line 6A pipeline (which runs alongside Line 14) was also shut as a precautionary measure for over five hours. This was the second spill from Line 14 in Wisconsin this year. In early January, Line 14 leaked more than 700 barrels of oil in Clark County, Wisconsin. At the time of the January leak, Enbridge officials said the rupture was likely due to a metallurgical flaw in the pipe itself, which was built in the late 1990s.

Reuters, 10:10 February 5, 2007

Reuters, 17:24 February 2, 2007

Oil Daily, February 5, 2007

Update: Lower Mississippi River Reopens After Oil Barge Fire

According to the U.S. Coast Guard, traffic was flowing normally on a 30-mile stretch of the lower Mississippi River near Vicksburg, Mississippi on Monday, after a crude oil barge collided with a bridge and caught fire on Friday. The barge was carrying 18,000-19,000 barrels of Canadian sweet crude oil to the New Orleans area.

Reuters, 09:45 February 5, 2007

FCC No. 3 Shut at Motiva's 285,000 b/d Port Arthur Refinery in Texas February 1

According to a filing with Texas regulators, Motiva shut the fluidic catalytic cracker (FCC) No. 3 due to a steam line blowout late Thursday night. A company spokesman said that the problem had been "corrected fairly quickly."

Flaring at the refinery began Thursday night and continued until early Friday morning.

Reuters, 16:34 February 4, 2007

Two Malfunctions at Valero's 340,000 b/d Corpus Christi Refinery in Texas February 3

According to filings with Texas regulators, two malfunctions caused flaring at Valero's Corpus Christi refinery on Saturday. Valero said no production was affected.

Bloomberg News, 10:27 February 5, 2007

Butane Exchanger Leak at Valero's 295,000 b/d Port Arthur Refinery in Texas February 2

Valero said no production was affected.

Bloomberg News, 10:27 February 5, 2007

Process Upset at ConcoPhillips's 146,000 b/d Borger Refinery in Texas February 2

According to a filing with Texas regulators, the refinery suffered a 55-minute process upset in Area B of the refinery.

Reuters, 16:54 February 5, 2007

Gasoline Tank Leaks at Valero's 195,000 b/d Memphis Refinery in Tennessee February 5

Valero said that at about 6:30 a.m., an overflow in a tank caused a gasoline spill inside the refinery. Valero has contained the spill and limited it to refinery grounds. There was no impact on refinery operations.
Reuters, 10:48 February 5, 2007

Pipeline Leaks at Tesoro's 166,000 b/d Martinez Refinery in California February 2

A minor pipeline leak occurred early on Friday. The leak was contained immediately and there was no impact on operations because the plant is currently undergoing maintenance.
Bloomberg News, 17:09 February 2, 2007

Operational Problems Could Force Full Shutdown at 180,000 b/d Hibernia Offshore Field

Although a final decision has not been made, operators of the 180,000 b/d field located offshore of Newfoundland are considering the complete shutdown of the field in order to correct the problems that have resulted in reduced operations since early January.
Oil Daily, February 5, 2007

Update: Damage from January Collision Could Delay Oil Production from Louisiana Well

Damage from a collision that occurred on January 21 when an unidentified vessel hit a wellhead on a floating platform on the Gulf Intracoastal Waterway will likely delay production from the well for some months. ExPert Oil & Gas have offered a reward of \$35,000 for information helping to identify the vessel or persons responsible for the incident.
Oil Daily, February 5, 2007

Pipeline Cleaning Tool Fragment Missing from Alaska Pipeline

Alyeska has been unsuccessful in its efforts to recover a piece of a cleaning pig that broke apart during a cleaning operation on a 48-inch line that took place in December. The line is continuing to operate and the company does not anticipate the missing fragment to cause a problem. The company will also examine the wax residue that was removed during the cleaning operation to determine if the fragment was in the wax being barged to Seattle.
http://www.adn.com/news/alaska/ap_alaska/story/8615145p-8507682c.html

Update: Kidnapped Oil Worker Found Dead in Nigeria February 2

The body of a contract worker for Addax Petroleum kidnapped on January 30 from the Akam offshore oil production platform in Nigeria was found dead on February 2. Militant groups in Nigeria have increased attacks on oil installations and workers. Two major unions representing oil workers in Nigeria have threatened to strike.
http://www.addaxpetroleum.com/press_room/36?PHPSESSID=a32ceadeaee8e19119f3aa7a4265b520

Natural Gas

Northeast Cold Snap Sends NatGas Heating Demand 20 Percent Above Normal

New York City Gate NatGas Prices Hit New Record

Some Gas Utilities Interrupt Service to Dual Fuel Customers

An arctic air mass sweeping across the Northeast pushed spot natural gas prices on Transco at the New York City gate to as high as \$58 per MMBtu early Monday, well above the record-high average of \$47 per MMBtu set in early January 2004 according to Reuters. According to OPIS, some gas utilities in the New York market and on the Delmarva Peninsula have "interrupted" supplies of natural gas to dual fuel customers, forcing those buyers into the market for distillate heating oil. OPIS's sources say the interruptions could last till Wednesday. The National Weather Service projects that heating demand for natural gas will be about 21 percent above normal this week.
Reuters, 09:23 February 5, 2007

Update: Transco Pipeline Repairs Completed in New Jersey, Full Service Restored

Transcontinental Gas Pipeline Line said Monday that it completed repairs to part of its 8 Bcf/d pipeline in New Jersey after discovering a small degradation on January 30. The company said the line was now operating at normal capacity after having to reduce service to interruptible customers during repairs. Capacity on the line was reduced by 2.5 percent (200 MMcf/d) during the work. According to Reuters, the line was repaired just before natural gas prices at the New York City gate shot to record highs early Monday.
Reuters, 11:45 February 5, 2007

Southern Natural Gas to Expand Pipeline System in Southeast by 367 MMcf/d

Southern Natural Gas (SNG) will expand its pipeline system capacity by up to 367 MMcf/d, approximately 10 percent of the system's current capacity. The pipeline expansion will provide additional capacity to serve a proposed new power plant. The pipeline expansion is scheduled to be constructed and placed in service in phases beginning in the fourth quarter of 2010. A portion of the gas supply for the expansion will be sourced from north Louisiana and a portion will be provided from SNG's Elba Island LNG facility in Georgia. SNG expects to file a certificate application with the FERC in early 2008.

<http://investor.elpaso.com/phoenix.zhtml?c=97166&p=irol-newsArticle&ID=958616&highlight>

Other News

President Requests \$24.26 Billion for Department of Energy Budget

President Bush has released the budget for Fiscal Year 2008 requesting \$24.26 billion for the Department of Energy. The request represents an increase of 6 percent above the budget request for 2007. Among the items in the proposed budget are:

- Office of Energy Efficiency and Renewable Energy: \$1.24 billion includes funding for hydrogen technology, vehicle technology, biomass, and building technology programs.
- Office of Nuclear Energy: \$875 million which includes \$395 million for the Advanced Fuel Cycle Initiative and other activities to support the Global Nuclear Energy Partnership (GNEP).
- Biofuels Initiative: \$179 million, an increase of \$29 million for research into cellulosic ethanol.
- Office of Fossil Energy: \$863 million, an increase of \$214 million. This includes \$427 million for clean coal programs, which includes \$108 million for FutureGen, \$73 million for the Clean Coal Power Initiative, and \$246 million for coal research and development activities. \$79 million has been requested for carbon sequestration work.
- Office of Electricity Delivery and Energy Reliability: \$115 million, includes \$86 million for research and development effort supporting a number of programs aimed at modernizing the electricity transmission and distribution system; and increasing energy reliability, energy and system efficiency, and security.
- Strategic Petroleum Reserve: \$168 million to increase capacity from 727 million bbls to 1.5 billion bbls.
- Yucca Mountain: \$495 million.
- Solar America Initiative: \$148 million in research in solar photovoltaic technology.

<http://www.energy.gov/news/4706.htm>

<http://www.nasdaq.com/aspcontent/NewsStory.aspx?cpath=20070205%5cACQDJON200702051055DOWJONESDJONLINE000387.htm&>

http://news.yahoo.com/s/nm/20070205/sc_nm/usa_budget_doe_dc_2

Energy Prices

U.S. Oil and Gas Prices			
February 5, 2007			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	59.10	54.40	65.37
NATURAL GAS Henry Hub \$/Million Btu	9.14	7.35	7.99

Source: Reuters

Energy Notes

EIA Data Shows Oil Demand Down for Third Consecutive Month in November Compared to 2005 Levels

Oil Daily, February 5, 2007

**James River Coal Closes Three High-Cost, Low-Production Coal Mines in Kentucky
February 1**

<http://www.platts.com/Coal/News/6346937.xml?p=Coal/News&sub=Coal>

TVA Sets New Winter Demand Record January 31

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7753578

Western Utilities Considering 250 MW Solar Plant for Arizona or Nevada

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7755828

Update: Nigerian Unions Suspend Strike Plans But Say Withdrawal of Workers ‘Still Possible’

Bloomberg News, 04:15 February 5, 2007

Reuters, 21:57 February 4, 2007

Brazil Hopes to Double Ethanol Exports by 2010 – Finance Minister

Reuters, 23:19 February 4, 2007

Chavez to Slash Salaries of Workers at Venezuela’s Heavy Oil Projects, Unions Say Move Will Push Employees to Flee to Other Oil Companies in Latin America

Bloomberg News, 09:49 February 5, 2007

Saudi Arabia to Boost Jet Fuel Supply to U.S. Military to About 7.3 Million Barrels in 2007, Up From About 1.5 Million in 2006

Reuters, 08:20 February 5, 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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