



ENERGY ASSURANCE DAILY

Friday, March 09, 2007

Electricity

Duke Energy's 1,300 MW Zimmer Coal-fired Power Plant in Ohio Shut March 8-9

The entire power plant was shut down on Thursday at 2 a.m. local time. The plant resumed operations at about 4 a.m. this morning. Duke Energy has not commented on the cause of the outage.

<http://news.enquirer.com/apps/pbcs.dll/article?AID=/20070309/BIZ01/303090034>

Constellation Energy's 1,148 MW Nine Mile Nuke Unit 2 in New York Shut March 9

The company shut the unit for repairs to a reactor recirculation pump.

Bloomberg News, 10:24 March 9, 2007

Update: Xcel's 522 MW Prairie Island Nuke Unit 2 in Minnesota Ramps Up to 55 Percent March 9

The unit ramped up to 54 percent of capacity by early Friday after exiting an outage yesterday. Xcel shut the unit on March 1 to work on a valve on a non-radioactive steam ventilation system.

Reuters, 07:38 March 9, 2007

Bloomberg News, 12:46 March 9, 2007

Petroleum

FCC Operating Normally After Upset at Citgo's 165,000 b/d Corpus Christi Refinery in Texas March 7

According to a filing with Texas regulators, the charge was reduced to the fluidic catalytic cracking (FCC) unit due to an upset caused by a lack of air pressure on Wednesday. The incident caused an emissions event lasting 20 minutes. On Thursday, the company said that FCC was operating normally.

Reuters, 15:38 March 9, 2007

Update: Community Groups Blocking Access to Ruptured Shell Pipeline in Nigeria

Royal Dutch Shell still has no access to a ruptured crude oil pipeline in Nigeria that has forced the company to cut production by 187,000 b/d. Shell is negotiating with community groups in the Nembe Creek area of the Niger Delta that are blocking the company's access to the pipeline. Shell has been unable to estimate a timetable for restoration since it cannot inspect the damage or begin repairs on the line. The pipeline feeds the Bonny Island export terminal.

Reuters, 04:49 March 9, 2007

Amazon Protests Cut Petrobras Oil Output in Ecuador by 75 Percent March 8

Amazon villagers in Ecuador blocking roads to oil production facilities operated by Petrobras have forced the company to reduce crude oil production to 9,000 b/d. Petrobras, the state-owned oil company of Brazil, normally produces about 36,000 b/d in Ecuador. The protests in Ecuador began one week ago.

Reuters, 17:51 March 8, 2007

Venezuela's Shuts ExxonMobil/BP's Orinoco Belt Administrative Office for 48 Hours

The Venezuelan government is shutting the administrative offices of an Orinoco oil project involving ExxonMobil and BP. The closure is due to a non-compliance issue with value added tax obligations. The government said the closure would not affect production operations.

Reuters, 16:06 March 8, 2007

Venezuelan President Chavez Says Oil Exports to U.S. Will Continue to Drop

Reuters, 08:09 March 9, 2007

Natural Gas

FERC to Proceed With Review of LNG Projects in Maine Despite Canadian Opposition

Responding to a letter from the Canadian ambassador expressing opposition to LNG tankers in Head Harbor Passage, FERC Chairman Joseph Kelliher said that analysis will continue on the environmental impact of two LNG projects in Maine. Kelliher also requested public release of a private environmental and navigational safety study cited by the ambassador to help in the assessment process of the projects. Canada regards the passage as internal Canadian waters, while proponents of the Maine projects say it's a territorial sea where international ships have the right of passage.

<http://www.wcsh6.com/news/article.aspx?storyid=54430>

<http://www.cbc.ca/cp/business/070308/b030837A.html#skip300x250>

<http://bangordailynews.com/news/t/news.aspx?articleid=147235&zoneid=500>

Esperanza Energy Announces Plans for Offshore LNG Receiving Platform in California

Esperanza Energy LLC has proposed building an LNG receiving platform to be located 10 miles off the coast at Huntington Beach, California. Esperanza plans to file an application by the end of 2007.

NGI's Daily Gas Price Index, March 9, 2007 <http://intelligencepress.com/>

http://www.mysanantonio.com/business/stories/MYSA030807_3E.LNG.2f4525e.html

Update: Pacific Connector Completes Successful Open Season for Proposed Pipeline Capacity; Market Interest Exceeds Proposed Design Capacity

Pacific Connector Gas Pipeline, LP, completed a successful open season for natural gas pipeline capacity on its proposed Pacific Connector Gas Pipeline (Pacific Connector). Seven prospective shippers subscribed for a total of 1.49 Bcf/d of firm transportation capacity, exceeding the initial design capacity of 1 Bcf/d. Pacific Connector will determine if it will be necessary to allocate the contract demands to match the proposed pipeline's capacity. The pipeline can also be expanded at some future time to 1.5 Bcf/d.

<http://biz.yahoo.com/prnews/070308/dath021.html?.v=97>

<http://www.prnewswire.com/cgi-bin/stories.pl?ACCT=104&STORY=/www/story/03-08-2007/0004542529&EDATE=>

FERC Approves Columbia Gas Pipeline System Serving Storage Project in West Virginia

On March 8, FERC approved Columbia Gas Transmission's request to begin construction on a looping segment of the company's natural gas pipeline system, which will transport natural gas to and from affiliate Hardy Storage Co.'s underground storage project, which is under construction in West Virginia.

NGI's Daily Gas Price Index, March 9, 2007 <http://intelligencepress.com/>

CenterPoint Abandons Proposed Natural Gas Pipeline Project in Northwest Mississippi

Citing the project as being uneconomic, CenterPoint Energy, Inc abandoned a proposed natural gas pipeline to run through northwest Mississippi. The company is evaluating other possibilities for a pipeline to transport natural gas from the West to markets in the Midwest and Northeast.

http://biz.yahoo.com/ap/070308/ms_centerpoint_pipeline.html?.v=1

Iroquois Proposes Construction of 1.6 Mile Natural Gas Pipeline in New York

Iroquois Gas Transmission System plans to seek approval from the Federal Energy Regulatory Commission (FERC) for the construction of a 1.6-mile-long, 36-inch-diameter high-pressure gas pipeline in Sandy Hook, New York. The line is part of a project to provide additional natural gas service to Long Island. The proposed pipeline would be installed parallel to an existing 11.3-mile-long Iroquois pipeline section and would be linked to the existing pipeline in a "looping" system. If approved, construction could begin in mid-2008.

<http://www.newtownbee.com/News.asp?s=News-2007-03-08-14-21-38p1.htm>

Other News

U.S. and Brazil to Cooperate on Biofuels, Examine Standards to Facilitate Biofuels Commoditization

On March 9, Secretary of State Condoleezza Rice and Brazilian Foreign Minister Celso Amorim signed a memorandum of understanding to advance cooperation on biofuels. The intent of the agreement is to advance research and development of new technologies, to stimulate private investment in local production in Central America and the Caribbean, to work through the International Biofuels Forum to examine development of common biofuels standards and codes, and to promote bilateral cooperation on research and promotion of greater biofuels use in the region. The agreement does not remove the 54-cent per gallon tariff that the United States levies on Brazilian ethanol imports. Brazilian President Lula da Silva had requested that the tariff be removed.

<http://www.state.gov/r/pa/prs/ps/2007/mar/81589.htm>

Reuters, 13:59 March 9, 2007

Bloomberg News, 12:49 March 9, 2007

U.S. Ethanol Industry Will Struggle With Financing at Current Corn Prices – CoBank VP

According to an executive of CoBank, a major lender to the U.S. ethanol industry, new ethanol plants will be more difficult to finance due to rising corn prices cutting into profit margins. The official said that with U.S. corn prices doubling in the last year and crude oil prices softening, there aren't many new lenders willing to invest in the industry at current margins.

Reuters, 13:56 March 9, 2007

NRC Approves First Ever Early Site Permit for Exelon in Illinois

On March 8, the Nuclear Regulatory Commission (NRC) approved Exelon's request for an "early site permit" for a new reactor to be located in central Illinois. The early site permitting process was established by the NRC in 1989 for utilities to complete the site and environmental evaluations before a decision is made to build a nuclear plant.

Once issued, the ESP is valid for 20 years. Department of Energy Secretary Samuel W. Bodman said, "By demonstrating effectiveness and predictability in the licensing process, utilities will have the information they need to make sound business decisions that can lead to the construction of new nuclear power plants." Exelon must still apply for a construction and operating license for any new reactor it decides to build.

<http://www.businessweek.com/ap/financialnews/D8NO7ET00.htm>

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7954127

Energy Prices

U.S. Oil and Gas Prices			
March 9, 2007			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	60.24	61.98	60.51
NATURAL GAS Henry Hub \$/Million Btu	7.05	7.22	6.31

Source: Reuters

Energy Notes

FERC Says Revision Request Premature on Final Rule Requiring Quick Reporting by Regulated Companies

NGI's Daily Gas Price Index, March 9, 2007 <http://intelligencepress.com/>

U.S. BLM Publishes Final Rule for Oil and Gas Activity on Public Lands
<http://www.platts.com/Oil/News/6365431.xml?p=Oil/News&sub=Oil>

Suncor's January Problems Cause February Production Volumes to Slip
Oil Daily, March 9, 2007

Ontario Wind Farm Production Remained High During Ice Storm
http://www.citizen.on.ca/news/2007/0308/Local_news/012.html

Petroecuador Plans to Increase Oil Production by 200,000 b/d Over 5 Years
Reuters, 11:29 March 9, 2007

Cat Cracker Restarts at PdVSA's 130,000 b/d El Palito Refinery in Venezuela March 9
Reuters, 08:57 March 9, 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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