



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

# ENERGY ASSURANCE DAILY

Tuesday, March 28, 2006

## *Electricity*

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### **Energy Northwest's 1,190 MW Columbia Nuclear Plant Cuts Output to 85 Percent March 28**

The power reduction was initiated so that leaking cooling water tubes could be repaired.  
Bloomberg, 11:07 March 28, 2006.

### **Uranium from Russian Nuclear Weapons Now Providing About Half the Fuel for U.S. Power Plants**

According to an article in USA today, about half of the fuel used by commercial nuclear reactors in the U.S. is derived from highly enriched uranium used in weapons in the former Soviet Union that is re processed into fuel grade uranium by the U.S. nuclear power industry. The program "Megatons to Megawatts" has converted 287 tons on highly enriched uranium to fuel grade uranium since its inception in 1993.

[http://pro.energycentral.com/professional/news/power/news\\_article.cfm?id=6497423](http://pro.energycentral.com/professional/news/power/news_article.cfm?id=6497423)

### **Fire in Substation Delays Commuter Rail (BART) in San Francisco Area Friday**

A fire at a substation in Hayward, CA resulted in the closing of two BART stations Friday for a little more than one hour. The fire occurred around noon.

<http://www.zwire.com/site/news.cfm?newsid=16374884&BRD=1686&>

### **Program Promotes Self-Generation for Connecticut Businesses to Ease Overburdened Grid**

The Connecticut Department of Public Utility Control has approved a program designed to encourage self-generation by businesses throughout the state. The program will boost distributed generation by providing low interest loans and or grants of up to \$450 per kilowatt for heating and power systems.

[http://pro.energycentral.com/professional/news/power/news\\_article.cfm?id=6499119](http://pro.energycentral.com/professional/news/power/news_article.cfm?id=6499119)

### **Santee Cooper Board Approves Construction Plan for Several New Power Plants**

Santee Cooper announced it will continue to explore an ownership interest in nuclear in conjunction with SCE&G at the V.C. Summer Nuclear Station near Jenkinsville, SC. Santee Cooper's plans call for the possibility of an ownership interest in two 1,100 megawatt (MW) nuclear units by 2016 and 2019, respectively. In addition, Santee Cooper's next generation plan allows for the possibility of a new 600 MW coal unit by 2014 to meet the state's energy needs.

<http://www.platts.com/Nuclear/News/7354671.xml?p=Nuclear/News&sub=Nuclear>

[http://www.santeecooper.com/aboutus/newsroom/releases/2006/news\\_2006\\_0327.html](http://www.santeecooper.com/aboutus/newsroom/releases/2006/news_2006_0327.html)

### **New Coal-fired Unit (Hugo 2) Planned for Fort Towson, Oklahoma**

Western Farmers Electric Cooperative in partnership with Brazos Electric Power Cooperative plans to construct the 750 MW plant next to the existing Hugo 1 plant near Fort Towson, Oklahoma. Construction will take place between 2007 and 2011.

<http://www.theparisnews.com/story.lasso?wcd=25893>

## Petroleum

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### **Supply Concerns Push Crude Oil to Highest Level in Seven Weeks**

Concern over continuing unrest in Nigeria, a labor strike in France that reduced output at three refineries, attacks by militants on OPEC pipelines, and a fire at a major European refinery near Vienna that has forced the closure of a crude distillation for an undetermined period combined to push the spot price of crude oil to its highest point in seven weeks.

Reuters, 13:53 March 28, 2006.

Reuters, 05:20 March 28, 2006.

Reuters, 05:11 March 28, 2006.

### **Lyondell Urges EPA to Issue Rule to Facilitate Transition to Eliminate MTBE**

In comments submitted to the Environmental Protection Agency on March 24, Lyondell Chemical Co. urged the EPA to allow refiners to continue blending MTBE into the gasoline stream through the coming summer. Lyondell argued that absent such a "transition" rule supply disruptions and deterioration in air quality would result.

OPIIS, 01:48 March 27, 2006

<http://www.platts.com/Petrochemicals/News/8349142.xml?p=Petrochemicals/News&sub=Petrochemicals>

### **DOE Preparing Environmental Impact Study for SPR Expansion**

According to a notice in the Federal Register of March 28, the Department of Energy is preparing an environmental impact statement (EIS) dealing with the site selection for the expansion of the Strategic Petroleum Reserve, which is required by the Energy Policy Act of 2005. The EIS will address issues at all the potential sites for expansion and new construction.

Federal Register Notice, March 28, 2006

<http://frwebgate6.access.gpo.gov/cgi-bin/waisgate.cgi?WAISdocID=575666266496+0+0+0&WAIAction=retrieve>

### **Chevron and Exxon Mobil Make 1 Billion Barrel Discovery off Gabon Coast**

<http://biz.yahoo.com/bizj/060327/1264862.html?.v=2>

### **Iraq Oil Minister: It May Take as Long as a Year to Restore Pipeline Infrastructure Before Exports through Turkey Can Resume.**

On March 28, in an exclusive interview with Reuters, Iraqi Oil Minister Hashem al Hashemi said that damage from sabotage to the northern crude oil export pipeline was so extensive that it would take between eight months and a year to bring the system back on-line.

Reuters, 14:04 March 28, 2006.

### **Shut In Oil Production Unlikely to Come Back on Soon Says Nigerian Oil Minister**

According to the Nigerian oil minister Edmund Daukoru, the more than 600,000 b/d of oil production currently shut-in by civil unrest and violence in Nigeria is not likely to be brought back on line soon.

<http://www.platts.com/Oil/News/8351889.xml?p=Oil/News&sub=Oil>

### **Nigerian President Calls Meeting of All Parties to Address Crisis**

Nigerian President Olusegun Obasanjo has called a meeting of all interested parties to take place on April 5 to discuss the crisis.

Reuters, 08:24 March 28, 2006.

## Natural Gas

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### FERC Approves Addition of 6 Bcf to Gas Storage Facilities in Kansas and Iowa

On March 24, the Federal energy Regulatory Commission approved adding 6 Bcf of additional capacity at natural gas storage fields owned by Northern Natural Gas in Iowa and Kansas.

*NGI's Daily Gas Price Index* March 28, 2006 <http://intelligencepress.com/>

### Gulfstream to Build 35-Mile Natural Gas Line to FPL's Planned 2,400 MW Plant in Florida

On March 27, Gulfstream Natural Gas System announced an agreement with Florida Power & Light (FP&L) to construct a 35-mile, 30 inch pipeline to supply FPL's proposed 2,400 MW West County Energy Center to be built in Palm Beach County. The pipeline would supply 345,000 Dth/d of firm of capacity to the plant.

*NGI's Daily Gas Price Index* March 28, 2006 <http://intelligencepress.com/>

### Dominion's Plan to Expand Cove Point LNG Terminal Opposed by Washington Gas

Washington Gas has filed a protest against the proposed expansion of the Cove Point LNG terminal by Dominion Gas claiming that its distribution system suffered damage from the re-gasified LNG processed by the existing facilities at Cove Point.

[http://pro.energycentral.com/professional/news/gas/news\\_article.cfm?id=6496706](http://pro.energycentral.com/professional/news/gas/news_article.cfm?id=6496706)

### Open Season Declared by Bobcat Gas Storage in Louisiana

On March 27, Bobcat Gas Storage announced that it had initiated an open season to for service offerings of its natural gas storage facility to be developed in St Landry, Louisiana. The capacity of the facility with be 12 Bcf and is projected to be in service in October 2007.

[http://pro.energycentral.com/professional/news/gas/news\\_article.cfm?id=6497652](http://pro.energycentral.com/professional/news/gas/news_article.cfm?id=6497652)

### Companies Rush to Upgrade Natural Gas Pipelines in Northern Texas

Crosstex Energy L.P, Energy Transfer Partners L.P, Atmos Texas Pipeline, and other companies are working to upgrade and expanding existing lines and are also developing new lines and systems to take advantage of expanding markets and the availability of natural gas from the Barnett Shale producing area.

<http://msnbc.msn.com/id/12033503/>

## Other News

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Nothing to Report.

## Energy Prices

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U.S. Oil and Gas Prices			
March 28, 2006			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b>			
<b>West Texas Intermediate U.S.</b>	65.65	60.41	54.06
\$/Barrel			
<b>NATURAL GAS</b>			
<b>Henry Hub</b>	7.15	6.83	7.07
\$/Million Btu			

Source: Reuters

## Energy Notes

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### **Industrial Leaders Urge Bush and Congress to Make More Domestic Gas Available**

<http://www.platts.com/Natural%20Gas/News/7354433.xml?p=Natural%20Gas/News&sub=Natural%20Gas>  
<http://biz.yahoo.com/bizj/060328/1265127.html?.v=2>

### **Vandals Damage First Electric Substation in Benton, AR: 3,500 Lose Power**

<http://www.bentoncourier.com/articles/2006/03/28/news/73jnews.txt>

### **Gasoline Pipeline Spill Estimate Now at 4,200 Gallons, Up from 2,200 Gallons in Ohio**

<http://c.moreover.com/click/here.pl?j495211217&f=767>

### **Plan to Expand Mountaintop Coal Mine in West Virginia Blocked by Federal Court**

[http://pro.energycentral.com/professional/news/power/news\\_article.cfm?id=6495184](http://pro.energycentral.com/professional/news/power/news_article.cfm?id=6495184)

### **Update: Idaho State Senate Committee Votes for Moratorium on New Coal Plants**

[http://pro.energycentral.com/professional/news/power/news\\_article.cfm?id=6498644](http://pro.energycentral.com/professional/news/power/news_article.cfm?id=6498644)

### **Consortium Formed to Promote Nuclear Power Development in Canada**

[http://pro.energycentral.com/professional/news/power/news\\_article.cfm?id=6498653](http://pro.energycentral.com/professional/news/power/news_article.cfm?id=6498653)

[http://pro.energycentral.com/professional/news/power/news\\_article.cfm?id=6498904](http://pro.energycentral.com/professional/news/power/news_article.cfm?id=6498904)

### **Cyclone Forces 40,000 b/d Santos to Shut in Australia**

Reuters, 23:23 March 27, 2006.

### **EIA Says Coal Production Could Jump by 64 Percent Over the Next 25 Years**

Reuters, 18:24 March 27, 2006.

### **Mexico in Talks with Energy Companies About Construction and Supply of Proposed LNG Plant**

Reuters, 18:19 March 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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