



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

ENERGY ASSURANCE DAILY

Thursday, March 30, 2006

Electricity

New Request for Power Uprate at Hope Creek Nuclear Plant to be Submitted in August

In February, PSEG withdrew its request for an extended power uprate to increase the output of its Hope Creek nuclear plant because the NRC judged that the agency did not have sufficient information to conduct the necessary technical review. PSEG now plans to submit a new request for a 15 percent uprate in August. Currently, Hope Creek, located in New Jersey, has a gross capacity of 1,118 MW.

<http://www.platts.com/Nuclear/News/7357879.xml?p=Nuclear/News&sub=Nuclear>

Update: Idaho Senate Passes Moratorium on New Coal Plants – Sempra Notifies State Officials it is Dropping Plans to Build New Plant

On March 29, the Idaho State Senate passed a bill that would establish a two-year moratorium on the building of new coal-fired power plants in the state. The Idaho House passed the measure last week and the bill now goes to the governor for signature. Citing the negative atmosphere for investment in the project that the moratorium creates and other capital commitments that the company has, Sempra notified the Governor and key legislators that it would not pursue the \$1 billion project.

Reuters, 17:38 March 29, 2006.

Exelon Corp's 619 MW Oyster Creek Nuclear Plant in New Jersey Reduced to 60 Percent of Capacity March 30

Exelon Corp reduced the output of its 619 MW Oyster Creek nuclear generating station in New Jersey to approximately 60 percent of capacity by early morning March 30. The output was reduced so that work could be performed on a reactor feed pump. There is no indication how long the unit will operate at the reduced rate.

Reuters, 09:07 March 30, 2006.

SCE's 1,080 MW Unit 3 at its San Onofre Nuclear Plant in California Shut March 29

According to the daily report of the Nuclear Regulatory Commission, Southern California Edison shut the 1,080 MW unit 3 at its San Onofre nuclear generating station in southern California on March 29 in order to inspect a partially dislodged gasket that prevented a check valve from fully closing.

Reuters, 07:58 March 30, 2006.

OPG's 242 MW Wells Hydro Plant in Ontario Shut March 30

Reuters, 09:14 March 30, 2006.

OPS's 535 MW Unit 3 at its Oil/Gas-fired Lennox Plant in Ontario Shut March 30

Reuters, 09:14 March 30, 2006.

Petroleum

Production Begins at Kerr-McGee Constitution Field in Gulf of Mexico

Kerr-McGee announced that it has started up production at the Constitution field located offshore in the Gulf of Mexico. Initial production is expected to be at the rate of 15,000 b/d of oil and 12 MMcf/d of natural gas. The company estimates that production should reach a maximum of approximately 40,000 b/d and 75 MMcf/d by the end of this year.

Bloomberg, 09:53 March 30, 2006.

Agip Ends Force Majeure in Nigeria

Italian company, Agip has ended its declaration of force majeure on exports of crude oil from its terminal in Nigeria. The company made the announcement after repairs were completed on the sabotaged pipeline that moves crude oil to the company's terminal. Approximately 75,000 b/d of oil was flowing through the pipeline prior to its closure.

Reuters, 10:31 March 30, 2006.

ExxonMobil Begins Production at Erha Field --Offshore Nigeria

ExxonMobil announced that production has begun at the Erha field offshore from Nigeria. When combined with production from the North Erha field, ExxonMobil estimates that production will be 190,000 b/d. The company forecasts that its total production in Nigeria will increase from the present 700,000 b/d to 1 million b/d by 2010.

Reuters, 10:07 March 30, 2006.

Fire Hits Cardon Refinery in Venezuela, No Information that Production was Affected

According to a statement from PDVSA, the state-owned oil company of Venezuela, a minor fire struck the 305,000 b/d Cardon oil refinery during the afternoon of March 28. There is no information as to whether operations at the refinery have been affected by the fire.

Reuters, 09:58 March 30, 2006.

Despite High Prices, IEA Sees No Need to Tap Strategic Stocks

The Executive Director of the International Energy Agency said that despite the situation in Nigeria and concern about Iran, there is no need to release oil from the strategic reserves. He stated that the purpose of the reserves is not to combat high prices but to deal with supply disruptions.

Reuters, 09:47 March 30, 2006.

Pirates Hijack Oil Tanker off Coast of Somalia

According to a March 30 report from port authorities, pirates hijacked an oil tanker that had just offloaded a cargo of fuel at the port of El Ade. No other information is available at this time.

Reuters, 12:07 March 30, 2006.

Natural Gas

Update: Transwestern Pipeline Extension Pre-Approved by Arizona Corporation Commission

Arizona Public Service has received pre-approval from the Arizona Corporation Commission for the Phoenix project, an expansion of the Transwestern pipeline system. The project, which will extend the line by approximately 260 miles from the mainline in Yavapai County to Phoenix, will make an additional 500 MMcf/d of capacity available. Expected date of service is set for early 2008.

Oil Daily, March 30, 2006.

Canada Supports Alaska Natural Gas Pipeline

Provincial leaders in Alberta and Yukon Territory expressed strong support for the proposed natural gas pipeline to be constructed along the Alaska Highway, through western Canada to the United States.
Oil Daily, March 30, 2006.

Other News

Pennsylvania BMS Conducts Emergency Drill at Coal Mine

On March 28, the Pennsylvania Bureau of Mine Safety, in conjunction with Mine Safety & Health Administration and the National Institute of Occupational Safety & Health, conducted an emergency drill involving emergency responders from ten mining companies. The drill was designed to test response times and rescue abilities of state responders and mine - rescue teams.

http://www.dhs.gov/interweb/assetlibrary/DHS_Daily_Report_2006-03-30.pdf

Energy Prices

U.S. Oil and Gas Prices			
March 30, 2006			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	66.70	62.13	53.96
\$/Barrel			
NATURAL GAS			
Henry Hub	7.19	7.16	7.18
\$/Million Btu			

Source: Reuters

Energy Notes

CAFE Standards for SUVs Increased by Bush Administration

Oil Daily, March 30, 2006.

http://news.yahoo.com/s/nm/20060329/bs_nm/autos_fueleconomy_dc_2

2,000 Gallon Fuel Truck Stolen March 27 Found in Michigan March 28

http://www.dhs.gov/interweb/assetlibrary/DHS_Daily_Report_2006-03-30.pdf

FERC Questions LNG as 'Sole Cause' Of WGL's Problems, Given History of Leaks

<http://powermarketers.net/contentinc.net/newsreader.asp?ppa=8kowu%5D%5BgkonpprYUmi%216%3C%22bfe1%5Dv>

Nuclear Energy Institute Predicts 12 to 15 New Nuclear Plants by 2015

http://www.dhs.gov/interweb/assetlibrary/DHS_Daily_Report_2006-03-30.pdf

Retiring Wyoming Coal Mine Workers Adding to Worker Shortage

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=6503417

Iraqi Domestic Oil Refinery Attacked – Eight Refinery Workers Killed

Reuters, 09:26 March 30, 2006.

Norway to Announce Arctic Development Plan – Will Establish Framework for Future Oil and Gas Developments

Reuters, 07:55 March 30, 2006.

Statoil Sees Production Back at 35,000 b/d Visund Field in North Sea by Mid-June

Reuters, 06:37 March 30, 2006.

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 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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