



ENERGY ASSURANCE DAILY

Tuesday, May 16, 2006

Electricity

Storm Knocks Out Power to 81,000 in South Florida May 15; More Expected Tonight

Florida Power & Light expects more outages tonight as another storm is heading to South Florida. Only 4,000 customers were still out of power by early afternoon on May 16.

http://www.miami.com/mld/miamiherald/news/14592587.htm?source=rss&channel=miamiherald_news

<http://www.mercurynews.com/mld/miamiherald/news/14591329.htm?source=rss>

Storm Knocks Out Power to 25,000 AEP Customers in Central Texas May 14

<http://www.team4news.com/Global/story.asp?S=4903979>

<http://www.themonitor.com/SiteProcessor.cfm?Template=/GlobalTemplates/Details.cfm&StoryID=13196&Section=Valley>

Florida to Install Generators Along Major Evacuation Route

Florida Turnpike Enterprise officials have announced a project that will install eleven million-watt back-up generators along Florida's main evacuation artery. Eight of the generators will power shopping plazas, ensuring that gas stations, restaurants and stores are supplied with electricity during power outages. Three others will support Florida Highway Patrol and turnpike operations. The project is intended to aid residents fleeing impending storms and work crews that arrive after a hurricane has hit.

<http://www.orlandosentinel.com/news/local/state/orl-turnpike1306may13.0,5063767.story?coll=orl-news-headlines-state>

UIL to Begin Construction on 365-kV Transmission Line in Connecticut this Summer

United Illuminating Company's new line will run from Middletown to Norwalk, Connecticut and is expected to be in service in December 2009. The project will extend the existing 345-kV transmission grid into Southwest Connecticut.

<http://biz.yahoo.com/bw/060516/20060516005720.html?v=1>

Petroleum

ULSD Unit Catches Fire at Frontier's 110,000 b/d El Dorado Refinery in Kansas May 15

The fire occurred as a new hydrotreater was being started up. Refinery operations were not affected.

Reuters, 11:38 May 16, 2006

Construction to Begin on 50 Million Gallon per Year Ethanol Plant in Oklahoma this Summer

<http://powermarketers.netcontentinc.net/newsreader.asp?ppa=8knpp%5E%5BhhkkpmSTjg%216C%29bfe1%5Dv>

Houston Oil Infrastructure is Desirable Al Qaeda Target- Expert

In a report by the Jamestown Foundation, a former CIA official has warned, that Houston with its numerous refineries, oil-import facilities and natural gas pipeline systems, would be a desirable target for an Al Qaeda attack designed to hurt the U.S. economy.

http://www.energyintel.com/PublicationHomePage.asp?publication_id=5

Jamestown Foundation Report: <http://www.jamestown.org/docs/Jamestown-SaudiOil.pdf>

Chevron Approves Construction of 24-inch Deepwater Pipeline in Gulf of Mexico

The 55-mile crude oil pipeline will connect its Tahiti project to the Amberjack pipeline.

Reuters, 10:00 May 16, 2006

Ecuador Revokes Occidental's Amazon Oil Concession

Ecuador has revoked U.S.-based Occidental Petroleum Corp.'s Amazon oil field concession, a move which according to the country's energy minister signified "the immediate return to the state of contracted areas and the hand-over of all equipment, machinery and other elements of exploration or of production, industrial installations or of transport." Occidental produces about 100,000 b/d of crude in Ecuador, about 20 percent of the country's total production. Ecuador supplied 2.3 percent of U.S. oil imports in 2005.

http://biz.yahoo.com/ap/060516/ecuador_us_occidental.html?v=2

Venezuela Reduces Oil Export Target by 107,000 b/d for 2006

Venezuelan state-oil company PdVSA plans to export 2.55 million b/d which is down from a 2.66 million target in 2005. Venezuela supplied 11.7 percent of U.S. oil imports in 2005.

Reuters, 10:33 May 16, 2006

Natural Gas

Emera Inc. to Build 850 MMcf/d Pipeline to Link Canaport LNG Terminal to U.S.

Northeast

The planned Canaport LNG import terminal to be located near Saint John, New Brunswick, would be connected to the U.S. portion of the Maritime & Northeast Pipeline at the U.S.-Canada border near Baileyville, Maine by the 145-km pipeline.

Reuters, 07:57 May 16, 2006

Suppliers Protest Acceptance of New LNG Standards

Several major LNG suppliers have protested an important administrative law judge (ALJ) initial decision that accepts restrictive interchangeability standards proposed by Florida Gas Transmission. They argue that the standards could limit the availability of Atlantic Basin LNG supplies to Gulf Coast import terminals.

NGI's Daily Gas Price Index, May 16, 2006

<http://intelligencepress.com/>

Sempra LNG Receives Strong Interest in Costa Azul Open Season

The open season, which ran four weeks and closed last Friday, drew interest equivalent to 2.9 Bcf/d, more than double the scope of the proposed expansion. The proposed Costa Azul LNG terminal is to be located in northern Baja California along Mexico's Pacific Coast.

NGI's Daily Gas Price Index, May 16, 2006

<http://intelligencepress.com/>

El Paso Achieves First Production from West Cameron Development in Gulf of Mexico

The company announced today that its West Cameron 75 and 62 new field discoveries are online and currently flowing at a gross rate of approximately 52 million cubic feet equivalent per day (MMcfe/d). These wells are located about 12 miles offshore of Cameron, Louisiana.

<http://biz.yahoo.com/prnews/060516/datu019.html?v=56>

Other News

Arch Coal to Open Three New Mines This Year

In a May 14 evening interview with Bloomberg News, Steve Leer, Arch Coal Chairman and CEO, said that The company planned to open three coal mines this year, one in West Virginia, one in Utah, and one in the Powder River Basin in Wyoming.

<http://www.powermarketers.com/index.shtml>

DTE Energy Idles Production at All Nine of Its Synthetic Fuel Plants

The decision was driven by the current level of volatility of oil prices and the lack of federal legislation that would have provided profit certainty. DTE said that production could resume depending on various factors including a reduction in oil prices or the enactment of potential legislation. Synthetic fuel producers receive a tax subsidy from the federal government that is pegged to the price of crude oil. Because of current high oil prices they receive less of a subsidy. So far in 2006, DTE has produced 8 million tons of synfuel from coal. The synfuel subsidy has been criticized because synfuel often does not replace transportation fuels derived from petroleum but instead is used the same way conventional coal is used.

<http://biz.yahoo.com/prnews/060515/clm533c.html?.v=1>

<http://www.time.com/time/archive/preview/0,10987,1167738,00.html>

Energy Prices

U.S. Oil and Gas Prices			
May 16, 2006			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	69.40	70.71	48.64
NATURAL GAS Henry Hub \$/Million Btu	5.99	6.55	6.45

Source: Reuters

Energy Notes

10,000 Customers Lose Power in South Carolina on May 14

http://www.siliconvalley.com/mld/myrtlebeachonline/news/local/14589209.htm?source=rss&channel=myrtlebeachonline_local

FPL Customers to Fund \$1.1 Billion Storm Reserve

http://biz.yahoo.com/ap/060515/fpl_hurricane_costs.html?.v=1

Power Outages and Quality Disturbances Cost the U.S. Economy More Than \$119 Billion

<http://www.cbn.co.za/index.php?Page=daily&id=1369>

Onboard Fire Damages Todco's THE 256 Jackup Rig in Galveston, Texas Shipyard

Reuters 18:33 May 15, 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 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

Energy Assurance Daily provides a summary of public information concerning current energy issues. Published Monday through Friday to inform stakeholders of developments affecting energy systems, flows, and markets, it provides highlights of energy issues rather than a comprehensive coverage. *Energy Assurance Daily* is updated online Monday through Friday after 5:00 p.m. EST. For more information, visit the Infrastructure Security and Energy Restoration (ISER) website at:
<http://www.oe.netl.doe.gov/index.aspx>.

Please direct comments and questions to: ead@oe.netl.doe.gov