



# ENERGY ASSURANCE DAILY

Thursday, May 18, 2006

## ***Electricity***

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### **FERC Says Electricity Supplies Tight in California and Connecticut**

The U.S. Federal Energy Regulatory Commission warned today that growing demand and tight energy supplies could cause rolling blackouts in Southern California and Southwest Connecticut this summer if power plant outages reduce power on their grids during a heat wave. The Commission also warned that tight supplies in Ontario could have spillover effects in the U.S. Northeast. Long Island and New York City are also expected to see tight supplies. FERC Report: <http://www.ferc.gov/EventCalendar/Files/20060518103507-A-3-with-talking-ptsl.pdf>  
Reuters 13:01 May 18, 2006

### **Midwest ISO Says Region Can Meet Expected Summer Power Demand**

The Midwest Independent Transmission System Operator, Inc. (MISO) announced Wednesday the region will have sufficient generation capacity to meet the expected summer peak power demand. MISO estimates peak demand will be 1% higher than last summer.  
[http://www.midwestiso.org/publish/Document/469a41\\_10a26fa6c1e\\_-6d7d0a48324a/2006-05-17%20Midwest%20ISO%20Summer%20Assessment%20News%20Release.pdf?action=download&\\_property=Attachment](http://www.midwestiso.org/publish/Document/469a41_10a26fa6c1e_-6d7d0a48324a/2006-05-17%20Midwest%20ISO%20Summer%20Assessment%20News%20Release.pdf?action=download&_property=Attachment)

### **American Transmission Co. Says Summer Electricity Outlook for Wisconsin is Good**

<http://www.jsonline.com/story/index.aspx?id=424606>

### **Ameren's 1,137 MW Callaway Nuke Unit in Missouri Shut Again**

Operators at Ameren's Callaway Nuclear Plant are shutting the plant down, today, to determine the cause of a valve problem in the non-nuclear operations of the plant that is preventing the plant from operating at more than 90 percent power. Ameren officials say they have not found any connection between the current valve problem and a shutdown that took place last Friday, May 12, to investigate high vibration alarms on two of the main turbine bearings.  
[http://www.ameren.com/AboutUs/adc\\_newsfull.asp?NewsSeqID=508](http://www.ameren.com/AboutUs/adc_newsfull.asp?NewsSeqID=508)

### **TXU's 750 MW Martin Lake 1 Coal-fired Unit in Texas Shut May 17**

The unit tripped due to a turbine control logic malfunction when the company was testing the turbine throttle valves. The company plans to restart the unit in the next day or so.  
Reuters, 10:20 May 18, 2006

### **Update: AEP's 690 MW Oklaunion Coal-fired Unit in Texas Restarts May 18**

The unit shut May 8 to fix a tube failure in a boiler superheater.  
Reuters, 11:56 May 18, 2006

### **Mirant's 337 MW Contra Costa 7 Gas-fired Unit in California Shut May 17**

Reuters, 11:56 May 18, 2006

### **CDWR's 316 MW Hyatt-Thrmlt Hydro Unit in California May 17**

Reuters, 11:56 May 18, 2006

### **Entergy's 620 MW Yankee Nuke Unit in Vermont Reduced to 64 Percent May 18**

Reuters, 07:19 May 18, 2006

### **Texas Approves LS Power's Proposed 800 MW Coal-fired Power Plant**

On May 17, the Texas Commission on Environmental Quality approved the air permit for the plant. LS Power plans to begin construction in the fall.

Reuters, 19:49 May 17, 2006

### **Westar to Build New Coal-fired Power Plant in Kansas**

Westar will announce the specific site later this year. The plant should be online by 2015.

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

### **Braintree, MA Town Meeting Endorses New 100 MW Gas/oil-fired Power Plant**

The new plant will replace the old Potter 1 plant and is expected to be up and running in 2009.

[http://pro.energycentral.com/professional/news/power/news\\_article.cfm?id=6692782](http://pro.energycentral.com/professional/news/power/news_article.cfm?id=6692782)

## ***Petroleum***

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### **Update: ConocoPhillip's 263,000 b/d Bayway Refinery in New Jersey Expected Back at Full Rates by May 22**

The company curbed production at the refinery to an unspecified amount on May 10 in order to work on a catalytic cracking unit. The refinery has a cat cracking capacity of 145,000 b/d.

Reuters, 10:43 May 18, 2006

### **Ecuador Takes Full Control of Occidental Operations**

On May 18, state-oil company Petroecuador took full control of Occidental Petroleum's operations. Three days ago, Ecuador voided Occidental's contract to operate in the country over a dispute concerning Occidental's sale of part of an oil block without government authorization. Native groups had demanded that Occidental leave the region, saying that the company embodied U.S. "imperialism." Most of Occidental's Ecuadorian employees remain working in the oil fields but Occidental's top executives running the fields have been replaced.

Reuters, 13:32 May 18, 2006

### **Rebels Again Threaten Shell Facilities in Nigeria**

In an e-mail from a spokesman for the Movement for the Emancipation of the Niger Delta (MEND), the rebel group threatened more attacks on Shell facilities in Nigeria, including its partially-owned Bonny Island LNG export terminal that supplies 7 percent of the world's LNG. MEND warned Shell workers to avoid areas that have already been targeted by the group. The threat comes two days after Shell announced plans to resume work in Niger Delta in a few weeks. In February, Nigeria exported 3,053 MMcf/d of LNG to the United States.

Bloomberg, 11:53 May 18, 2006

## ***Natural Gas***

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### **Henry Hub Gas Prices Hits 17-month Low**

Natural Gas prices at the benchmark Henry Hub in Louisiana have dropped to \$5.79, the lowest price in 17 months, due to mild weather in much of the country and high storage levels.

Reuters, 14:07 May 18, 2006

### **Mississippi Hub May Develop New Gulf Coast Gas Storage Site**

<http://intelligencepress.com/>

### **Calypso Seeks to Modify Pipe Project to Accommodate Deepwater LNG Port**

Calypso U.S. Pipeline LLC North America Inc. is asking FERC to approve changes in its natural gas pipeline project in Florida to take into consideration the proposed LNG facility in the state.

<http://intelligencepress.com/>

See more about the original proposal for the Calypso Pipeline @ <http://www.calypsopipeline.com/>

## Other News

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### Energy Security is Most Important Industry Issue

Energy security is the highest-ranking issue facing the global industry according to a survey of energy company CEOs by Cambridge Energy Research Associates (CERA) and the World Economic Forum (WEF).

<http://intelligencepress.com/>

## Energy Prices

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U.S. Oil and Gas Prices			
May 18, 2006			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	69.63	73.35	47.25
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	5.79	6.80	6.40

Source: Reuters

## Energy Notes

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### ABB Says Aging U.S. Power Grid Desperately Needs Overhaul to Avoid Blackouts

Reuters, 14:35 May 17, 2006

### Connacher Oil Sees 10,000 b/d Great Divide Oil Sands Project in Alberta on Line in 2007

Reuters, 13:39 May 18, 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 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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*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](mailto:ead@oe.netl.doe.gov)*