



ENERGY ASSURANCE DAILY

Friday, June 16, 2006

Electricity

Update: Statements Released From FERC Discussion with Utilities and Railroads

<http://www.ferc.gov/EventCalendar/EventDetails.aspx?ID=2678&CalType=%20&>
http://www.eei.org/newsroom/press_releases/060615a.htm

Power Outage Affects 400 Businesses in Downtown Philadelphia June 15

<http://www.nbc10.com/news/9377784/detail.html>

PSC of Wisconsin Approves Two 345-kV Transmission Lines

Both projects were proposed by American Transmission Co.

http://home.businesswire.com/portal/site/google/index.jsp?ndmViewId=news_view&newsId=20060615005885&newsLang=en

TXU to Build 9,000 MW of Coal-fired Generation in Texas by 2010 -- Says Infrastructure Needs Strengthening to Support the Plan

TXU plans to build eleven new coal-fired generation plants (including upgrading existing TXU coal plants), totaling 9,000 megawatts, in northern Texas by 2010. TXU executives said that infrastructure will need to be strengthened to support the new plants, so the company is working with the Texas grid operator to determine what new circuits or lines are needed and with Union Pacific Corp. and Burlington Northern Santa Fe Corp regarding an extension of rail lines to supply some of the sites with Powder River Basin coal.

Reuters, 20:20 June 15, 2006

Update: FPL's 839 MW St. Lucie Nuke Unit 2 in Florida Shut June 15

The unit, which was stalled June 14, was shut when a leaking hydraulic line was found during an inspection June 15.

Reuters, 12:29 June 16, 2006

DTE's 1,111 MW Fermi Nuke in Michigan Shut June 16

The unit shut early June 16 after a turbine/generator tripped. It is unknown when the unit will return to service.

Reuters, 07:43 June 16, 2006

Update: Constellation's 620 MW Nine Mile Point Nuke Unit 1 in New York at Full Power

The unit is back at full power, up from 82 percent capacity on June 15.

Reuters, 07:23 June 16, 2006

Thunder Horse and Atlantis Oil Field Startups on Schedule in Gulf of Mexico - BP

According to the CEO of BP, the two oil fields, which are projected to have a combined production capacity of 400,000 b/d of oil and 380 MMcf/d of natural gas, will start up as planned in the second half of 2006. Leaks in a deep-sea production manifold at the Thunder Horse field have raised worries that the start up would be delayed. Also, BHP Billiton, BP's partner in the Atlantis project, had questioned that Atlantis would be started by the end of the year.

http://today.reuters.co.uk/news/newsArticle.aspx?type=businessNews&storyID=2006-06-15T235353Z_01_N15707946_RTRUKOC_0_UK-ENERGY-BP-GULFOFMEXICO.xml

Kazakhstan, Azerbaijan Agree to Ship 500,000 b/d of Kazakh Crude via BTC Pipeline

The newly built Baku-Tbilisi-Ceyhan(BTC) pipeline has the capacity to send 1 million b/d of Caspian production to western markets via the Turkish port of Ceyhan on the Mediterranean Sea. The first phase of the agreement calls for 150,000 b/d of Kazakh crude to cross the Caspian via tanker and enter the pipeline in Baku. Future volumes will expand to 500,000 b/d once Eni's giant Kashagan field comes online and other infrastructure investments are complete. In May, 150,000 b/d of Azeri crude began flowing through BTC.

<http://www.platts.com/Oil/News/7534039.xml?p=Oil/News&sub=Oil>

Iraqi State Oil Marketer SOMO To Issue First Tender Since August 2005

State oil marketer SOMO will issue its first tender, to sell at least four million barrels of crude from Iraq's Kirkuk field, since August 2005. Oil is now flowing at a steady rate through Iraq's northern pipeline, and Iraqi crude stocks in the Turkish port of Ceyhan have increased to 5.3 million barrels.

Reuters, 11:52 June 16, 2006

BP Investigating Hydrocarbon Vapor Leak at its 460,000 b/d Texas City Refinery

According to a report filed with state regulators, BP is searching for the source of leaking hydrocarbon vapors at its 460,000 b/d Texas City refinery. The company believes that the leak may originate in an exchanger connected with the manufacture of gasoline blending components.

Reuters, 13:18 June 16, 2006

Update: Buckeye's Shipments Resume After Gasoline Spill in Illinois

Shipments have returned to normal at Buckeye Partners LP's fuel terminal in Harristown, Illinois, after a three-day shutdown due to a valve failure that resulted in the release of more than 100,000 gallons of gasoline into the dike surrounding the tanks earlier this week.

Bloomberg, 12:34 June 16, 2006

Natural Gas

Value of Natural Gas Storage Highest Ever – FERC

According to FERC, the value of natural gas storage capacity is the highest that it has ever been due to the threat of hurricanes, growing gas-fired generation, a wave of new LNG projects, and the relatively tiny amount of storage capacity added over the last decade.

Presentation: <http://www.ferc.gov/EventCalendar/Files/20060615103625-A-3-TALKING-PTS.pdf>

<http://powermarketers.net/contentinc.net/newsreader.asp?ppa=8kowu%5D%5BhlropqrZTjg%7DGL%7Dbfel%5Dv>

Update: McMoRan to Use 'Closed Loop' Design for Main Pass LNG Project Application

Louisiana Governor Kathleen Blanco denied the proposed Main Pass LNG terminal last month because of concerns over the environmental affects of the facility's "open loop" regasification process. McMoRan hopes to attain approval for the project by switching to a "closed loop" design.

<http://powermarketers.net/contentinc.net/newsreader.asp?ppa=8kowu%5D%5BhlropqrZTjg%7DGL%7Dbfel%5Dv>

Update: Norwegian Statoil to Quadruple Capacity at Cove Point LNG Terminal in Maryland

FERC approved Statoil's request to increase capacity at the Cove Point terminal in Maryland from 2.4 billion cubic meters a year to 10 billion. Dominion Resources said it "has signed an agreement with a subsidiary of Statoil for 100 percent of the new station capacity for the next 20 years."

Reuters, 07:44 June 16, 2006

Other News

Nothing to report.

Energy Prices

| U.S. Oil and Gas Prices | | | |
|--|-------|----------|----------|
| June 16, 2006 | | | |
| | Today | Week Ago | Year Ago |
| CRUDE OIL West Texas Intermediate U.S. \$/Barrel | 69.90 | 71.63 | 56.58 |
| NATURAL GAS Henry Hub \$/Million Btu | 6.45 | 6.10 | 7.39 |

Source: Reuters

Energy Notes

Mexican President Willing to Open Crude Pipeline to Arizona if Refinery Built

<http://www.azcentral.com/business/articles/0615biz-talker-ON.html>

Oil Producing Countries Worried That Volatile Market Could Hurt Spare Capacity Investments- Qatar Energy Min

<http://www.upi.com/Energy/view.php?StoryID=20060615-025916-1780r>

Saudi Arabia Scrambles for More Rigs in Tight Market

International Oil Daily, June 16, 2006

Kurds Challenging Iraq Central Government Over Oil Wealth Distribution

Energy Compass, June 16, 2006

FERC Approves Plant to Increase Incentives to Build Power Plants and Transmission Lines in New England

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=6801131

Joint Venture Ending Development of 49 MW Glebe Mountain Wind Energy Project in Vermont

http://home.businesswire.com/portal/site/google/index.jsp?ndmViewId=news_view&newsId=20060615005438&newsLang=en

Norway's Statoil Exploring New LNG Supply Chain to US

http://pro.energycentral.com/professional/news/gas/news_article.cfm?id=6798037

President Bush Signed Into Law An Overhaul Of Federal Mine Safety Regulations June 15

Reuters, 13:42 June 16, 2006

ExxonMobil Worker Injured by Leak of Hot Hydrocarbon Line at Refinery in California June 16

Bloomberg, 15:43 June 16, 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

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<http://www.oe.netl.doe.gov/index.aspx>.

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