



ENERGY ASSURANCE DAILY

Monday, July 31, 2006

Major Developments

Storms Cause at Least 323,500 Outages in U.S. Northeast July 27-30

Multiple storms ravaged the U.S. Northeast between Thursday night and Saturday, leaving thousands without power. The Philadelphia area, the hardest hit region, had 90,000 outages after a storm Thursday night and 75,000 additional outages after another storm hit Friday afternoon.

Power Outages From Storms in U.S. Northeast			
July 27-30, 2006			
Electric Power Producers	State	Outages	Current
PECO	Pennsylvania	165,000	New Releases
Connecticut Power & Light	Connecticut	61,000	Outages
National Grid	New York	40,000	News Releases
Delmarva Power	Delaware, Maryland	28,000	Outage Map
PPL Electric	Pennsylvania	14,000	News Releases
Metropolitan Edison	Pennsylvania	10,000	
Jersey Central Power & Light	New Jersey	5,500	Outage Map
TOTAL*		323,500	

*Total outages only represent electric power generators listed in this table.

Sources: http://www.philly.com/ml/d/inquirer/news/local/states/pennsylvania/counties/philadelphia_county/philadelphia/15153534.htm

<http://www.nj.com/news/expresstimes/pa/index.ssf?/base/news-7/1154145984273220.xml&coll=2>

http://www.9wsyr.com/news/local/story.aspx?content_id=E4C6DAFA-4989-443B-9F49-BE021C2C4CA5

<http://www.delawareonline.com/apps/pbcs.dll/article?AID=/20060729/NEWS/607290330/-1/NEWS01>

<http://www.nbc30.com/news/9596648/detail.html>

Update: ConocoPhillips' 306,000 b/d Wood River Refinery at 80 Percent July 31

The company said that it expects the refinery, which shut due to a storm-related power outage on July 20, to be operating at full capacity by the end of this week. ConocoPhillips' received expedited permits from the Illinois EPA to install temporary portable cooling towers in order to resume production as quickly as possible. The shutdown of the refinery, which makes up about 9 percent of U.S. Midwest (PADD 2) refining capacity, has caused fuel supplies to tighten in certain areas of Illinois.

Reuters, 12:18 July 31, 2006

Electricity

Update: California Fire No Longer Threatening Power Lines

Last week a fire was threatening three major 500 kV power lines from the Pacific Northwest to California.

Yesterday the U.S. Forest Service said that that fire is now nearly contained.

Reuters, 00:50 July 31, 2006

Utilities Typically Do Not Disconnect Delinquent Customers During Heat Waves

ComEd in Chicago and Progress Energy in the Southeast are mentioned in the stories below as utilities that do not disconnect customers during severe heat waves (or cold spells) even if the customers have not paid their bills.

<http://powermarketers.net/contentinc.net/newsreader.asp?ppa=8knpp%5E%5BiiptqoXUnj%7DGJ%7Bbfel%5Dv>

<http://powermarketers.net/contentinc.net/newsreader.asp?ppa=8knpp%5E%5BiiimmovoRUUnj%7DGJ%7Bbfel%5Dv>

Three Xcel Nuclear Units in Wisconsin Reduced Over Weekend Due to Heat

Both 522 MW Units 1 and 2 at the Prairie Island nuclear plant and the 569 MW unit at the Monticello nuclear plant were reduced over the weekend due to high temperatures in the Mississippi River. The Monticello plant was reduced to 67 percent. The three plants take and return water from the Mississippi River during normal operations but high temperatures have already heated the river and the power plants had to reduce output to avoid heating the river too much. The three units are expected to increase power output later today.

Reuters, 07:23 and 12:12 July 31, 2006

DTE's 1,111 MW Fermi 2 Nuke in Michigan Shut July 29

The unit, which was shut due to the loss of off-site power on July 29, is expected to reconnect to the grid later today.

Reuters, 09:58 July 31, 2006

AEP's 1,016 MW Cook 1 Nuke in Michigan Shut July 30

The company plans to restart the unit on August 1.

Reuters, 13:38 July 31, 2006

Southern Co.'s 869 MW Hatch 1 Nuke in Georgia Reduced to 43 Percent by July 31

On Friday the plant was operating at full power.

Reuters, 07:01 July 31, 2006

Update: APS' 1340 MW Palo Verde 2 Nuke in Arizona Ramps Up to 81 Percent July 31

The unit, which automatically shut on July 26 following maintenance, was running at 12 percent on Friday after exiting the outage.

Reuters, 07:37 July 31, 2006

AES' 335 MW Alamos 4 Gas-fired Unit in California Shut July 30

Reuters, 13:38 July 31, 2006

Calpine's 275 MW Pastoria Gas-fired Unit in California Shut July 30

Reuters, 13:38 July 31, 2006

LS Power's 336 MW Morro Bay 4 Gas-fired Unit in California Shut July 30

Reuters, 13:38 July 31, 2006

LS Power's 260 MW Moss Landing Gas-fired Unit in California Shut July 30

Reuters, 13:38 July 31, 2006

Update: TXU's 750 MW Martin Lake 1 Coal-fired Unit in Texas Restarts July 29

The unit was shut on Friday to fix a tube leak but was returned to service on Sunday. The unit is still operating at less than full capacity due to a problem with a transformer.

Reuters, 13:09 July 31, 2006

NRG's 200 MW Dunkirk Coal-fired Unit in New York Shut July 27

This is an unconfirmed outage.

Reuters, 13:38 July 31, 2006

New 418 MW Unit Begins Commercial Operation at TEP's Springville Generating Station in Arizona

The unit is the third to come online at the power plant which is designed to meet rising electricity demand across the West.

<http://biz.yahoo.com/bw/060728/20060728005368.html?.v=1>

Petroleum

Flaring Occurs at ExxonMobil's 150,000 b/d Torrance, California Refinery July 29

The incident was triggered by an equipment malfunction.

Reuters, 18:01 July 30, 2006

Flaring Occurs at Valero's 214,000 b/d Texas City, Texas Refinery July 28

The incident was triggered by a malfunction in Complex No. 1 of the refinery. The company said that the flaring had "no impact" on production.

Reuters, 13:07 July 31, 2006

Reuters, 17:42 July 30, 2006

SRU Briefly Shut at Valero's 260,000 b/d Port Arthur, Texas Refinery July 27

The sulfur recovery unit shut briefly.

Reuters, 17:58 July 31, 2006

SRU Shut Briefly at Valero's 83,000 b/d Houston, Texas Refinery July 27

The sulfur recovery unit shut briefly.

Reuters, 17:58 July 31, 2006

Process Upset Hits ConocoPhillips' 146,000 b/d Borger, Texas Refinery July 27

The upset occurred in Area B of the refinery.

Reuters, 14:49 July 31, 2006

Oil Spill Shuts Major Russian Crude Export Pipeline Over Weekend

Operations resumed on the Druzhba pipeline this morning, after a leak on the line in the western Bryansk region shut the pipeline over the weekend. The 1.2 million b/d pipeline, operated by OAO Transneft, stretches 2,500 miles and generally works near or at fully capacity. There are conflicting reports on the size and severity of the spill. In 2005, Russia supplied 2.3 percent of total U.S. oil imports.

<http://www.chron.com/dispatch/story.mpl/ap/fn/4083553.html>

Eni Restarts Nigerian Flow Station After 5-Day Siege

Attackers have vacated the Ogbainbiri oil flow station in southern Nigeria after a 5 day siege and Eni has restarted the facility. The company said that total oil production lost during the siege was 170,000 barrels. Currently 80 percent of production from the flow station has been restored.

Reuters, 08:26 July 31, 2006

Shell Says Shut-in Nigerian Output up to 675,000 boe/d

The new estimate is up 22,000 boe/d from a previous estimate. The increase reflects a new estimate of shut-in production due to militant attacks. This shut in production represents about a quarter of Nigerian oil production capacity. In 2005, Nigeria supplied about 8 percent of total U.S. oil imports.

Reuters, 06:26 July 31, 2006

Venezuelan Oil Minister Threatens to Cut Oil Supply to the U.S.

While visiting fellow OPEC member Iran, Venezuelan Oil Minister Rafael Ramirez said that the South American oil producer will cut off its oil exports to the United States if Washington continues a hostile stance toward Hugo Chavez's administration. In 2005, Venezuela supplied 11.7 percent of total U.S. oil imports.

Reuters, 06:43 July 31, 2006

Natural Gas

Kinder Morgan Extends Force Majeure on Trailblazer -- Compressor Station in Nebraska Out Till August 15

An internal electrical failure shut the unit on July 10. The company has extended the 4-week force majeure because the unit had to be removed and shipped to the vendor for repairs. The 436-mile Trailblazer pipeline extends from northeast Colorado to Gage County Nebraska.

Reuters, 12:34 July 31, 2006

Bradwood Landing LNG Project in Oregon Aims to Open in 2010

In the next two to three months, NorthernStar Natural Gas Inc. hopes to receive a completed draft environmental impact report or an announcement on a major source of LNG.

NGI's Daily Gas Price Index, July 31, 2006

Other News

Longwall at Massey Energy's Aracoma Coal Mine Restarts July 27

The Aracoma longwall was idled after fire damaged it earlier this year. Overall, the company expects second half production from the mine to fall by 2 to 3 million short ones versus previous projections due to the combined effect of several factors, including ongoing productivity problems, the idling of mining sections and reduced staffing at others, and the delayed restart of Aracoma.

<http://www.platts.com/Coal/News/7625855.xml?p=Coal/News&sub=Coal>

Energy Prices

U.S. Oil and Gas Prices			
July 31, 2006			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	74.45	74.35	60.71
NATURAL GAS Henry Hub \$/Million Btu	8.04	6.33	7.76

Source: Reuters

Energy Notes

California's Heat Wave Heading East Towards Major Power Grids

Reuters, 19:21 July 28, 2006

More Investment Needed in New Transmission Lines

<http://powermarketers.net/contentinc.net/newsreader.asp?ppa=8kowu%5D%5BiimonmpYUnj%7DGJ%7Bbfel%5Dv>

NRC Proposes \$65,000 for Violation at Seabrook Station Nuke in New Hampshire

<http://www.nrc.gov/reading-rm/doc-collections/news/2006/06-043i.html>

Overtaken Tanker Spills Fuel in Ohio

<http://www.journal-news.com/news/content/news/stories/2006/07/28/ws072806tankerspillweb.html?cxtype=rss&cxsvc=7&cxcac=6>

Update: Iraq-Turkey Pipeline Fixed, Exports Expected to Resume Soon – Iraq Oil Minister

Reuters, 08:23 July 30, 2006

Russia to Ramp Up Seaborne Crude Exports 47,000 b/d in August

http://www.energyintel.com/PublicationHomePage.asp?publication_id=2

Florida Gas Again Issues Shipper Alert Due to Heat July 31

Reuters, 11:21 July 31, 2006

India Says Nuclear Plants a Target for Militants

Reuters, 07:23 July 31, 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>.

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