



ENERGY ASSURANCE DAILY

Friday, August 04, 2006

Electricity

Update: About 75,000 Hydro One Customers in Ontario Still Without Power Aug. 4

Early today, 75,000 Hydro One customers remained without power, down from 175,000 without power immediately following a powerful storm on Wednesday.

<http://www.cbc.ca/canada/toronto/story/2006/08/04/cottagers-storm.html>

Update: Con Ed Makes Repairs, Conservation Prevents Manhattan Blackouts Aug. 3

Yesterday Con Edison fixed some of the seven heat-damaged distribution cables on the east side of Manhattan without turning power off to any customers. The utility attributes the successful repairs to customers' conservation efforts.

Reuters, 16:07 August 4, 2006

Update: AEP's 1,016 MW Cook 1 Nuke Unit in Michigan Ramps Up to Full Power Aug. 4

The unit, which exited an outage yesterday, was shut on July 30 because the temperature in the containment room exceeded allowable levels.

Reuters, 07:47 August 4, 2006

Exelon's 619 MW Oyster Creek Nuke Unit in New Jersey Reduced to 53 Percent Aug. 4

Yesterday the plant was operating at 98 percent of capacity.

Reuters, 07:32 August 4, 2006

Dominion's 584 MW Kincaid Coal-fired Unit in Illinois Shut Aug. 4 – Traders

Reuters, 12:05 August 4, 2006

TXU's 575 MW Big Brown 1 Coal-fired Unit in Texas Shut Aug. 3

The company shut the unit on Thursday due to a low suction pressure problem with the boiler feed pump. Company officials today said they expect the unit to return to service in a day or so.

Reuters, 10:49 August 4, 2006

DPL 585 MW Stuart Coal-fired Unit in Ohio Shut Aug. 3 - Traders

Reuters, 12:05 August 4, 2006

AEP's 575 MW Muskingum River Coal-fired Unit in Ohio Shut Aug. 3 –Traders

Reuters, 12:05 August 4, 2006

Two Coal-fired Units Shut at Edison Mission Energy's 1,884 MW Homer City Power Station in Pennsylvania – Traders

Traders say that the 614 MW Unit 2 was shut on Thursday for condenser repairs and was likely to return later on Friday. They also said that the 650 MW Unit 3 was shut on Friday due to an electrical problem and would return over the weekend.

Reuters, 12:20 August 4, 2006

California ISO Approves Sunrise/Greenpath Transmission Project

The transmission project, proposed by SDG&E and two other companies, will connect electricity generated from renewable sources in Southeastern California to customers in the San Diego area and the rest of the state electricity grid. The project consists of a combination 500 kV/230 kV transmission link.

Reuters, 17:03 August 4, 2006

DOE Secretary Concerned with the Gulf Coast's Electricity Grid

U.S. Energy Secretary Samuel Bodman is concerned with the ability of the energy infrastructure in the Gulf region to withstand future severe storms such as Hurricanes Katrina and Rita that last year damaged or destroyed so much of the electric, natural gas and oil installations in the region. Although the Secretary indicated that the both government and industry are better prepared now, he expressed concern about future vulnerability, particularly with respect to electric transmission lines upon which oil and natural gas production and transmission rely.

<http://www.platts.com/Electric%20Power/News/7632058.xml?p=Electric%20Power/News&sub=Electric%20Power>

MidAmerican Plans a 123 MW Wind Power Plant in Iowa

MidAmerican Energy will begin the construction of a 123 MW wind facility in Pocahontas County, Iowa later this year. The plant is scheduled to be completed in late 2007. The facility will utilize 82 GE Energy 1.5 MW wind turbines.

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=6990596

Petroleum

Update: Tropical Storm Chris Downgraded, Oil Prices Fall

Tropical Storm Chris was downgraded to a tropical depression today, easing worries that the storm would damage oil and gas facilities in the Gulf of Mexico. U.S. crude oil prices have fallen approximately \$0.79 since yesterday. There is still a chance that the storm could regain tropical storm strength next week.

Reuters, 14:24 August 4, 2006

Source: Comparison of Reuters prices from EAD price tables.

Rising Costs Affect Independent Refiners Expansion Plans

Increasing costs in the refining industry – for everything from engineering to labor – are affecting the expansion plans of independent refiners. An article in the August 4 *Oil Daily* outlines some of the recent investment problems facing independent refiners Sunoco and Tesoro.

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

Update: Nigeria's Bonny Crude Exports Delayed 3-6 Days

Due to a crude oil pipeline leak two weeks ago, shipments of Nigerian Bonny crude oil are being delayed by 3 to 6 days, according to traders. The leak, which occurred on July 21, shut in 210,000 b/d and forced Shell to declare force majeure on some shipments. Bonny crude is favored by many U.S. refiners because it yields more gasoline than other varieties. Some traders believe that Shell will not be able to restore its lost Bonny crude output for over a month. To make up for the lost Bonny output, Saudi Arabia has hired four supertankers to transport 8 million barrels to the U.S. in late August.

Reuters, 08:13 August 4, 2006

Bloomberg News, 06:59 August 4, 2006

PdVSA Pipeline Ruptures in Venezuela, 11,000 Barrels Spilled Aug. 2

The company said that it had controlled the spill. Venezuela, which has had a string of oil industry accidents in recent months, supplied 11.7 percent of total U.S. oil imports in 2005.

Reuters, 19:38 August 4, 2006

Mexico Tightens Oil Security Amid Election Protests

Extra safeguards have been put in place at power plants, crude oil refineries and other installations owned by Pemex, the state-owned oil monopoly, amid rising protests by supporters of leftist presidential candidate Andres Manuel Obrador. Supporters of Obrador, who are challenging the vote count of the July 2 election, have already taken control of portions of Mexico City but their protests have so far been peaceful. In 2005, Mexico supplied over 11 percent of total U.S. oil imports.

Reuters, 13:45 August 4, 2006

Russia to Sue Shell to Halt Sakhalin Island Oil and Gas Development

Russia's Natural Resource Ministry has said that it will sue Royal Dutch Shell to halt the development of oil and gas fields at Sakhalin Island in the far east of the country because the project may cause environmental damage.
Bloomberg News, 12:06 August 4, 2006

Natural Gas

Imperial to Delay Mackenzie Gas Pipeline Project Until 2012

Imperial Oil told Canada's National Energy Board that it may postpone completion of its Mackenzie Gas Pipeline until 2012.

<http://intelligencepress.com/subscribers/daily/news/d20060804f.html>

Three Workers Kidnapped from Nigeria's Bonny Island LNG Plant

Three employees of a U.S. firm, Baker Hughes Inc., were abducted in Nigeria as they were going home from work. They were Filipino contractors working at the Nigerian LNG plant on Bonny Island.

<http://www.platts.com/Natural%20Gas/News/8571211.xml?p=Natural%20Gas/News&sub=Natural%20Gas>

http://news.yahoo.com/s/ap/20060804/ap_on_re_af/nigeria_oil_unrest_1;_ylt=AoeH7RPMq1G7XJ3R53TwREiAsn;_ylu=X3oDMTBiMW04NW9mBHNIYwMIJVRPUCU1

Other News

Two Barges Carrying Hazardous Cargos Collide at Decatur, Tennessee River Traffic Shut

Two barges carrying hazardous materials struck a lock on the Tennessee River near Florence, Alabama on August 3. Because of the risks of leaks from the cargoes, the river is closed in both directions and a state highway crossing is also closed. The Army Corps of Engineers does not expect either river or road traffic to resume until at least Saturday. The Corps is working with the U.S. Coast Guard and Tennessee Valley Authority to attempt to open an auxiliary lock in an effort to bypass the problem. Nonetheless, the auxiliary lock has only a fraction of the capacity of the main lock and delays are anticipated until repairs can be completed. Coal makes up for about 37 percent of 53 million tons/year of goods are transmitted via the Tennessee River.

<http://www.decatordaily.com/decatordaily/news/060804/lock.shtml>

<http://www.tva.gov/river/navigation/commod.htm>

Energy Prices

U.S. Oil and Gas Prices			
August 4, 2006			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	74.80	73.28	61.60
\$/Barrel			
NATURAL GAS			
Henry Hub	7.60	7.24	8.55
\$/Million Btu			

Source: Reuters

Energy Notes

LIPA Urges Residential Customers to Conserve Energy, Some Long Islanders Without Power

<http://www.newsday.com/news/local/longisland/ny-lihot0801.0.6725063.story?coll=ny-longisland-homepage>

Colorado State Univ. Forecasts Fewer Hurricanes in 2006

<http://intelligencepress.com/subscribers/daily/news/d20060804d.html>

http://pro.energycentral.com/professional/news/gas/news_article.cfm?id=6990680

DOE Completes Tests Reforming Natural Gas to Produce Hydrogen

<http://www.platts.com/Oil/News/8570917.xml?p=Oil/News&sub=Oil>

24-Hour Workers' Strike Has No Impact on Ecopetrol Operations in Colombia

Reuters, 13:23 August 4, 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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