



# ENERGY ASSURANCE DAILY

Friday, August 18, 2006

## Major Developments

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### Switch to Ultra-Low Sulfur Diesel Blamed for Shortages, Rationing in Colorado

The switch to ultra-low sulfur diesel is being blamed for a supply glitch in Colorado that has led truck stops to ration diesel fuel. Complying with the new EPA standard necessitated emptying and cleaning pipelines, storage tanks and equipment that in turn, has strained diesel supplies in some areas of the country. Reports indicate that as early as the week of August 7, some trucking companies were warning their drivers to avoid refueling in Colorado. Further complicating the situation were several refinery problems and increased demand from farmers beginning the harvest season. Sources in Colorado anticipate that the situation, while improving over the next few days, will persist through the end of the month.

<http://www.thetrucker.com/News/Stories/2006/8/16/ConversioncouldbebehindColoradorationing.aspx>

<http://www.etrucker.com/apps/news/article.asp?id=54871>

<http://www.summitdaily.com/article/20060809/NEWS/108090063>

## Electricity

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### LS Power's 739 MW Gas-fired Moss Landing Unit 7 in California Shut August 17

According to a report by the California ISO, the unit was shut by the afternoon on Thursday.

Reuters, 20:18 August 17, 2006

## Petroleum

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### Update: BP to Replace Main Transit Lines in Prudhoe Bay Early Next Year

In a securities filing on August 17, BP stated that the company expects to replace 16 miles of the oil transit lines in the Prudhoe Bay field by early next year. Thursday's filing says that the Western Operating Area is currently producing about 150,000 b/d of oil and gas liquids. The company is uncertain what impact the shutdown of the Eastern Operating Area will have on its previously announced 2006 production schedule

<http://www.platts.com/Oil/News/7652920.xml?p=Oil/News&sub=Oil>

[http://www.sec.gov/Archives/edgar/data/313807/000110465906055746/a06-18119\\_16k.htm](http://www.sec.gov/Archives/edgar/data/313807/000110465906055746/a06-18119_16k.htm)

### Stub Line of Colonial Pipeline Hit During Excavation Shut Near Nashville, Tennessee

A stub line of the Colonial Pipeline carrying diesel fuel has been shut down after it was hit while excavation was underway near the line. In addition, a separate line supplying gasoline to the Nashville area has also been shutdown as a precaution while crews assess the damage. It is not known if there has been any property damage, nor when the lines will be back in service.

<http://www.hendersonvillestarnews.com/apps/pbcs.dll/article?AID=/20060817/BUSINESS01/60817006>

### Mexico's Oil Exports in July Slip to Lowest Level So Far this Year

State oil company Pemex announced on August 18 that during July, crude oil exports had fallen to their lowest level thus far in 2006. Overall production in Mexico also fell, influenced by a steep drop in production from the large mature Cantarell field. Nonetheless, Pemex states that production is on track to increase during 2006 compared to 2005.

Reuters, 12:56 August 18, 2006

## Blackouts Leave Ecuador's Oil Sector Untouched as Tungurahua Volcano Erupts

The violent eruption of Tungurahua volcano in central Ecuador that resulted in blackouts and forced the evacuation of hundreds in three oil-rich provinces has thus far left oil production uninterrupted.

Reuters, 16:36 August 17, 2006

## Natural Gas

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### Woodside Petroleum Files to Build LNG Import Terminal in California

Australian company Woodside Petroleum has filed for approvals from the U.S. Coast Guard, Maritime Administration, and the City of Los Angeles to construct an LNG import terminal in California. If approved, Woodside will ship LNG to two delivery buoys to be located approximately 20 miles offshore from the Los Angeles International Airport. The gas would be transported to shore through two undersea pipelines.

[http://pro.energycentral.com/professional/news/gas/news\\_article.cfm?id=7046587](http://pro.energycentral.com/professional/news/gas/news_article.cfm?id=7046587)

### FERC Approves Northwest Pipeline's Lateral Project in Colorado

On August 16, FERC approved Northwest Pipeline Corp.'s proposal to build a lateral natural gas pipeline in Colorado.

<http://intelligencepress.com/subscribers/daily/news/d20060818e.html>

### Columbia Gas Seeks to Increase Capacity at 11 Gas Storage Fields on Temporary Basis

Columbia Gas Transmission Corp. is seeking authorization from FERC to increase the maximum storage capacity at 11 of its gas fields on a temporarily basis.

<http://intelligencepress.com/>

## Other News

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### Pennsylvania Governor Announces Plan for State's First Ethanol Plant: Capacity of 108 Million Gallons per Year

Governor Rendell announced that the state's first fuel ethanol plant would be located in Clearfield County. The plan calls for a pilot-scale cellulose demonstration plant in addition to the plant producing 108 million gallon per year of denatured fuel grade corn-based ethanol.

<http://www.platts.com/Petrochemicals/News/7653309.xml?p=Petrochemicals/News&sub=Petrochemicals>

## Energy Prices

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U.S. Oil and Gas Prices			
August 18, 2006			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b>			
<b>West Texas Intermediate U.S.</b>	71.10	74.25	63.47
\$/Barrel			
<b>NATURAL GAS</b>			
<b>Henry Hub</b>	6.66	7.94	9.38
\$/Million Btu			

Source: Reuters

## Energy Notes

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### Advocacy Group Launched to Represent Half Million Hybrid Owners Will Promote Hybrid Policies

[http://pro.energycentral.com/professional/news/power/news\\_article.cfm?id=7044935](http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7044935)

### MMS Report: Katrina & Rita Cause 17,652 bbls of Oil to Spill in Gulf of Mexico in 2005

<http://www.platts.com/Oil/News/7653275.xml?p=Oil/News&sub=Oil>

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

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