



ENERGY ASSURANCE DAILY

Monday, September 11, 2006

Major Developments

Alaska Approves BP's East Prudhoe Bay Bypass, Could Restart 105,000 b/d Within a Few Weeks

The Regulatory Commission of Alaska has approved BP Plc's plans to build two pipelines to bypass its shut oil transit line at Prudhoe Bay. The oil transit pipeline was shut last month because severe corrosion was found in the line. The two proposed pipelines would connect flow stations in the Eastern Operating Area to the nearby Endicott pipeline, allowing 105,000 b/d of production to be restarted "within a few weeks." Daily production at Prudhoe Bay is normally 400,000 b/d. On Sept. 8 BP said that output from the Western Operating Area had risen 30,000 b/d to 250,000 b/d.

http://today.reuters.com/news/articleinvesting.aspx?type=bondsNews&storyID=2006-09-11T183510Z_01_N11214596_RTRIDST_0_ENERGY-BP-ENDICOTT-UPDATE-1.XML
<http://www.adn.com/front/story/8173354p-8066167c.html>

Electricity

Duke Energy's 846 MW Oconee Nuke Unit 2 in South Carolina Ramps Up to Full Power Sept. 11

The company had kept the unit at 55 percent of capacity for a few days in order to work on a feed water pump after the unit returned to service following other repairs.

Reuters, 07:12 September 11, 2006

FirstEnergy's 846 MW Beaver Valley Nuke Unit 1 in Pennsylvania Returns to Full Power Sept. 10

The company shut the unit on Sept. 7 to fix a problem in a control system. Bloomberg News, 10:53 September 11, 2006

FirstEnergy's 1,250 MW Perry Nuke Unit in Ohio Reduced to 80 Percent Sept. 11

The company reduced the unit because an alarm related to a reactor feed pump appeared to malfunction.

FirstEnergy expects the unit to be back at full capacity by early tomorrow.

10:53 September 11, 2006

TVA's 1,300 Cumberland Coal-fired Unit in Tennessee Shut Sept. 11 – Traders

Reuters 11:42 September 11, 2006

Cleco's 650 MW Dolet Hills Coal-fired Unit in Louisiana Shut Sept. 11

Reuters 11:42 September 11, 2006

Update: TXU's 750 MW Martin Lake Coal-fired Unit 2 in Texas Restarts Sept. 10

The company shut the unit on Sept. 7 to fix a boiler tube leak.

Reuters, 10:45 September 11, 2006

Placer County's 218 MW Middle Fork Hydro Unit in California Shut Sept. 8

Reuters 11:42 September 11, 2006

AEP's 690 MW Oklaunion Coal-fired Power Station in Texas to Shut Sept. 8

The company planned to shut the unit to fix a tube leak.

Reuters, 09:05 September 11, 2006

Petroleum

SRU Briefly Shut at Alon USA's 70,000 b/d Big Spring, Texas Refinery Sept. 8

On Friday the company briefly shut the sulfur recovery unit and cut the charge to the diesel hydrotreater after a bearing failure on the primary blower. The company said that the refinery quickly returned to normal after the outage.

Reuters, 13:06 September 11, 2006

Power Failure Hits Valero's 130,000 b/d Houston, Texas Refinery Sept. 9

The power outage was caused by a contractor's crane coming into contact with a power line. The incident had no material impact on production.

Reuters, 10:47 September 11, 2006

Upset Condition Hits Valero's 92,000 b/d Corpus Christi, Texas Refinery Sept. 10

The company reported flaring due to an upset condition at the plant. The incident had no material impact on production.

Reuters, 10:46 September 11, 2006

Problems Reported at ExxonMobil's 150,000 b/d Torrance, California Refinery Sept. 11

<http://www.newsday.com/news/nationworld/wire/sns-ap-oil-prices.0.5580210.story>

Kinder Morgan to Add 3.4 Million Barrels of Tank Storage Capacity at Texas Terminals

The additions, to be completed by spring of 2008, will be at the company's Pasadena and Galena Park terminals.

Reuters, 12:20 Reuters September 11, 2006

Update: Nigerian Oil Union Strike to Begin Wednesday

Two main oil unions are pressing forward with a three-day "warning strike" to protest insecurity in the Niger Delta. Warning strikes typically have no impact on oil output and exports from Nigeria because key workers often remain at their posts or are replaced by non-union staff.

Reuters, 09:24 September 11, 2006

Update: Nigeria Estimates Shut-in Oil Production at 872,000 b/d

Nigeria's petroleum minister said that the estimated amount of oil shut in due to militant attacks and pipeline leaks is 872,000 b/d, a figure sharply higher than recent industry estimates of around 600,000 b/d shut in. In 2005, Nigeria supplied about 8 percent of total U.S. oil imports.

Reuters, 06:25 September 11, 2006

Iraq Considers Building Secure Oil Pipeline Connecting Kirkuk and Turkey

Iraqi Oil Minister Hussain Al Shahrastani, said on September 9 that Iraq is considering building a pipeline from Kirkuk to Turkey that will avoid areas where existing pipelines have been targets of sabotage. He added that another pipeline with a capacity of 500,000 b/d is currently under construction and will be completed in less than a month.

http://www.gulfnews.com/business/Oil_and_Gas/10066578.html

Natural Gas

FERC Approves Questar Overthrust Pipeline Expansion

September 8, the Federal Energy Regulatory Commission approved Questar's proposed expansion of the Overthrust pipeline in Southwest Wyoming. Once completed, it will more than double the current transportation capacity.

<http://intelligencepress.com/subscribers/daily/news/d20060911c.html>

Other News

Al Qaeda Threatens Gulf Arab States in Latest Video

Deputy al-Qaeda leader Ayman al-Zawahri warned that the terrorist group's next targets will be in Israel and in the oil-rich Persian Gulf region. Zawahri said that the new attacks would lead to the West's "economic doom," possibly indicating that al-Qaeda is planning to attack oil infrastructure targets. One U.S. intelligence sources cited by Reuters called the tape propaganda and dismissed suggestions that the tape could foreshadow new attacks. Reuters, 10:37 September 11, 2006

Radioactive Particles Found in Vermont Yankee Shipment

Radioactive particles were found in a container shipped from Vermont Yankee to the Susquehanna nuclear reactor in Berwick, Pennsylvania on August 31. A pair of dust particle-sized pieces and a metallic sliver that were found in a steel container registered four times the Department of Transportation's permissible level upon arrival at the Susquehanna facility. However, when measured at Vermont Yankee, prior to shipment, the container measured well below the DOT threshold level. Vermont Yankee will undertake a thorough investigation of the incident to determine how the shipment was handled and to determine how failure to detect the particles occurred.

<http://www.vermontguardian.com/local/092006/VYShipmentUpdate.shtml>

Energy Prices

U.S. Oil and Gas Prices			
September 11, 2006			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	65.84	69.15	64.21
NATURAL GAS Henry Hub \$/Million Btu	5.31	5.24	11.03

Source: Reuters

Energy Notes

Gulf of Mexico Hit by 6.0 Earthquake, ExxonMobil Reports No Problems on Oil Platforms
Reuters, 15:16 September 10, 2006

OPEC Maintains Oil Output Despite a 16 Percent Drop in Crude Oil Price Since Mid-July
Reuters, 12:53 September 11, 2006

Louisiana Pursuing Oil-Producing Nations With Bid for New Refinery
Bloomberg News, 13:25 September 11, 2006

Planned 500 kV California Power Line to Cross State Park, Faces Opposition from Environmentalists

http://www.greenwichcitizen.com/localnews/ci_4306702

Reuters, 16:30 September 11, 2006

DM&E Starts Shipping 3,000 Cars of Coal from Wyoming to Chicago Area for Clean Coal Test Burns

<http://www.twincities.com/mld/twincities/news/15471450.htm>

<http://www.argusleader.com/apps/pbcs.dll/article?AID=/20060908/NEWS/609080343/1001>

Safety Concerns over Transmission Line: Possible Links between Electromagnetic Fields and Certain Illnesses

<http://powermarketers.net/contentinc.net/newsreader.asp?ppa=8kowu%5D%5BiottoimWSlj%27%40%3E%20bfe1%5Dv>

Prometheus Energy to Begin Producing LNG from Landfill in Southern California

<http://intelligencepress.com/subscribers/daily/news/d20060911i.html>

As the Tail End of Ernesto Passes through Connecticut, More than 11,000 CL&P Customers Lose Power Sept 8

http://www.greenwichcitizen.com/localnews/cj_4306702

Stolen Truck Abandoned at Massachusetts LNG Site Sets Off Emergency Response: No Threat Discovered

http://www.boston.com/news/local/massachusetts/articles/2006/09/10/abandoned_truck_spurs_security_alert_at_lng_site/

Oil Flow from Iraq to Turkey Halted Because Storage at Terminal Full

<http://www.turkishpress.com/news.asp?id=141440>

Update: Chevron in Talks With Chad to Resolve Dispute Over Oil Tax

Bloomberg News, 13:22 September 11, 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

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