

U.S. DEPARTMENT OF ENERGY
**Office of Electricity Delivery and
Energy Reliability**



ENERGY ASSURANCE DAILY

September 23, 2005

Highlights/Major Developments

Update: Hurricane Katrina

For the latest Hurricane Katrina situation report from the Office of Electricity Delivery and Energy Reliability (OE) of the U.S. Department of Energy, please click on the following link: <http://www.oe.netl.doe.gov>. Starting with September 24th, Hurricane Katrina and Hurricane Rita will both be covered under one situation report called Gulf Coast Hurricane situation report found at the same link as above.

For the latest statistics on shut-in oil and gas production in the Gulf of Mexico, please click on the following link: <http://www.mms.gov/>

Hurricane Rita

For the latest Hurricane Rita situation report from the Office of Electricity Delivery and Energy Reliability (OE) of the U.S. Department of Energy, please click on the following link: <http://www.oe.netl.doe.gov>. Starting with September 24th, Hurricane Katrina and Hurricane Rita will both be covered under one situation report called Gulf Coast Hurricane situation report found at the same link as above.

Refineries Make Plans to Restart after Rita Threat Passes

Shell filed a plan with regulators to restart its 340,000 b/d refinery in Deer Park on Sunday assuming there is no damage to the refinery. Marathon has also filed to restart its 72,000 b/d Texas City refinery on Sunday. Reuters, 11:44 September 23, 2005

Florida Reliability Coordinating Council Calls for Conservation of Electricity

The Florida Reliability Coordinating Council has asked the public to continue to conserve electricity due to decreased natural gas production from Hurricane Rita. Reuters, 14:35 September 23, 2005

Henry Hub Shuts Down; NYMEX Declares Force Majeure

The Henry Hub in Erath, Louisiana was closed at 2 p.m. EDT time Thursday due to Hurricane Rita. As a result, the New York Mercantile Exchange declared force majeure for its September natural gas futures contracts. Force majeure provisions excuse companies from failing to meet contracts due to unforeseen events.

Bloomberg, 15:18 September 23, 2005

Houston Area Experiences Gas Shortages

Royal Dutch Shell said that gas stations in the vicinity of Houston, Texas experienced gasoline run-outs as thousands of people fled in their cars in order to escape Hurricane Rita.

http://www.shell.com/home/Framework?siteId=us-en&FC2=/us-en/html/iwgen/news_and_library/storm_updates/rita/zzz_lhn.html&FC3=/us-en/html/iwgen/news_and_library/storm_updates/rita/storm_update_rita220905_3.html

Update - South Texas Project Nuclear Power Plant Still on Line

Plant operators monitoring the direction of Hurricane Rita believe they will not need to shut down based on the hurricane's latest course. If necessary, operators could shut down the plant seven hours before forecast winds exceed 73 miles per hour.

Reuters, 09:59 September 23, 2005

Electricity

Update - 66,000 Still Without Electricity in Minnesota

A severe thunderstorm with high wind and hail left more than 200,000 Xcel Energy customers without power Wednesday evening. Crews were still working Friday morning to restore power to 66,000 customers.

<http://www.sciencedaily.com/upi/?feed=TopNews&article=UPI-1-20050923-13375500-bc-us-storms-minn.xml>

Storms Knock Out Power to 95,000 Customers in Michigan

Storms on Thursday evening left about 54,000 DTE Energy customers, and 40,000 CMS Energy customers without power. By Friday morning, 31,000 DTE customers and 2,600 CMS customers were still in the dark.

http://www.detroitnow.com/wxyz/nw_local_news/article/0,2132,WXYZ_15924_4103485,00.html

10,000 Xcel Energy Customers in Colorado Lose Power due to High Winds

Thunderstorms and strong winds left 10,000 Xcel Energy customers without power on Wednesday. Most customers had service within an hour, but some isolated areas were without power for 12 hours.

http://www.gjsentinel.com/news/content/news/stories/2005/09/22/9_23_storm_folo_WWW.html

Downtown Los Angeles Suffers Brief Power Outage

The power was out for about 5 minutes for 40,000 customers in Los Angeles at 9:29 Friday morning. The problem involved a bank of transformers at an electrical substation.

<http://www.kesq.com/Global/story.asp?S=3890190>

NRG/Dynegy's 335 MW El Segundo Unit 3 in California Shut September 23

Reuters, 15:04 September 23, 2005

Nebraska Public Power District's 756 MW Cooper Nuke in Nebraska Shut September 23

The plant shut early Friday due to an air leak in the main condenser that degraded the condenser's vacuum.

Reuters, 14:35 September 23, 2005

Update-TVA's Brown's Ferry 3 Ramps up to 98 Percent

The nuclear power plant had been shut on September 17 in order to repair a moisture-level control valve.

Bloomberg, 07:59 September 23, 2005

Progress Energy to Expand Florida Generating Unit

Progress Energy said on Friday it will upgrade its Bartow Power Plant in Florida to add natural gas fuel technology to more than double electric output and reduce emissions. Construction will begin in 2007 and take about three years. The plan will add units that can generate up to 600 MW of electricity.

Reuters, 14:30 September 23, 2005

For additional information on electricity, see Highlights/Major Developments

Petroleum

Update - Nigerian Militants Storm Oil Platform

In addition to the Idama platform, shut previously, Shell has shut another platform in Nigeria as a precautionary measure. The Robert Kiri platform, which produces about 20 thousand barrels per day, was shut due to threats by Nigerian militants. However, later in the day militia leaders indicated that they were suspending threats to blow up oil installations. A temporary cease-fire was declared, but some members of the group do not agree, and may not honor it.

Reuters, 04:57 September 23, 2005

Reuters, 14:38 September 23, 2005

For additional information on petroleum, see Highlights/Major Developments

Natural Gas

Wyoming Interstate Co Ltd to Expand Pipeline

On Thursday, FERC approved a plan for El Paso Corp. subsidiary Wyoming Interstate Co. Ltd. (WIC) to expand its pipeline system in the Piceance Basin.

Source: NGI's Daily Gas Price Index

<http://intelligencepress.com/>

<http://www.ferc.gov/eventcalendar/Files/20050922153150-CP05-54-000.pdf>

For additional information on natural gas, see Highlights/Major Developments

Other News

Nothing to Report

Energy Prices

	Latest (09/23/05)	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate US \$/Barrel	64.67	62.91	48.86
NATURAL GAS Henry Hub \$/Million Btu	14.84	11.25	5.41

Source: Reuters

This Week in Petroleum from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated on Wednesdays

Weekly Petroleum Status Report from EIA

http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 1:00pm (Eastern time) on Wednesdays

Natural Gas Weekly Update from EIA

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 pm (Eastern time) on Thursdays

ENSEC threat awareness blog site from Energy Assurance

<http://ensec.blogspot.com>