



ENERGY ASSURANCE DAILY

Wednesday, September 27, 2006

Electricity

Salt River Seeks to Restart Mohave Generating Station in Nevada

The Salt River Project announced on September 26 that it is attempting to restart the 1,580 MW Mohave Generating Station, closed by court order at the end of 2005 for failure to comply with pollution requirements. SRP indicated that it is considering increasing its stake in the plant as part of its efforts. This may affect Peabody Coal's Black Mesa Mine in Arizona also. It shut down since its only customer was the Mohave Generating Station.

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7202453

<http://www.eia.doe.gov/cneaf/coal/page/coalnews/coalmar.html>

PSEG's 1,130 MW Salem Nuke Unit 2 Restarts Sept. 27

The unit shut late September 26 due to an indication of a reactor coolant leak.

Reuters, 14:03 September 27, 2006

Petroleum

Highest Gasoline Inventory in Five Years Causes Price Drop

Gasoline futures fell near a seven-month low due to a U.S. Department of Energy report showing the largest increase in U.S. gasoline inventory in five years. Last week, supplies rose 6.34 million barrels (3.1 percent) to 213.9 million barrels. The gain was the biggest since Sept. 21, 2001, when motorists cut back on driving following the Sept. 11 terrorist attacks.

Bloomberg News, 11:50 September 27, 2006

FCC Charge at Alon's 70,000 bpd Refinery in Texas Reduced September 27

In order to repair a shaft on the CO boiler air combustion blower, Alon USA Energy Inc. reduced the charge to the fluid catalytic cracking unit at its 70,000 b/d refinery in Big Spring, Texas. The company hopes to have the repair completed by October 4.

Reuters, 09:45 September 27, 2006

Natural Gas

Falling Prices Prompt Companies to Shut-in Nat Gas Production

Chesapeake Energy has announced the shut in of 125-150 MMcf/d, which represents the bulk of the third largest independent producer's remaining unhedged production. This was announced as natural gas futures prices fell to four year lows.

<http://intelligencepress.com/>

High Inventories and Mild Weather Cause Natural Gas Futures to Fall to Lowest in Almost Four Years

Natural-gas futures in New York dropped to their lowest in almost four years due to high inventories and mild weather. According to estimates by analysts, U.S. supplies probably rose 85 billion cubic feet last week, raising stored reserves to 3.26 trillion.

Bloomberg News, 13:31 September 27, 2006

FERC Okay's Inergy Phase II Expansion for Stagecoach Gas Storage Project

On September 26, Inergy announced that it had received approval from the Federal Energy Regulatory Commission (FERC) to construct the 13 Bcf Phase II expansion of its Stagecoach natural gas storage facility in New York. The project is expected to be completed and in operation in September of 2007. Inergy's regulated subsidiary Central New York Oil and Gas Company, LLC will operate the facility.

http://pro.energycentral.com/professional/news/gas/news_article.cfm?id=7199298

500 MMcf/d Gas Processing Plant to be Built for Tennessee Gas Pipeline Replaces Facilities Damaged by Hurricane Rita

Tennessee Gas Pipeline Co, a subsidiary of El Paso Corp., announced the construction of a 500 MMcf/d natural gas processing plant to replace facilities heavily damaged last year by Hurricane Rita. The new plant to be located at Grand Chenier in Louisiana, will be built, owned and operated by CDM MAX, a subsidiary of CDM Resource Management, Ltd.

<http://intelligencepress.com/>

Court Orders Bureau of Land Management to Halt Alaska Petroleum Reserve Lease Sale

<http://intelligencepress.com/>

Other News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices			
September 27, 2006			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	62.91	60.00	64.94
\$/Barrel			
NATURAL GAS			
Henry Hub	4.35	4.87	14.84
\$/Million Btu			

Source: Reuters

Energy Notes

Sept 26 Explosion at Bayer Baytown Petrochemical Plant in Texas Under Investigation

<http://www.chron.com/disp/story.mpl/headline/metro/4217287.html>

Southern Natural Declares Open Season for 14 Bcf Gas Storage Project in Mississippi

<http://intelligencepress.com/>

7-Eleven Inc. Drops Citgo as Gasoline Supplier after 20 Years Due to Derogatory

Comments by Venezuela's Chavez

Reuters, 13:39 September 27, 2006

Bloomberg News, 13:18 September 27, 2006

Locust Ridge's 26 MW Wind Farm Project in PA Slated for Operation in Early 2007

Bloomberg News, 13:15 September 27, 2006

13,600 Lose Power in Albany, Oregon for 15 to 30 minutes Sept. 25

<http://www.dhonline.com/articles/2006/09/27/news/local/5loc04outage.txt>

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>.

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