



ENERGY ASSURANCE DAILY

Wednesday, November 29, 2006

Electricity

Update: PPL's 1,135 MW Susquehanna Nuke Unit 1 in Pennsylvania Exits Outage November 29

The unit exited an outage and ramped up to 4 percent of capacity by early Wednesday. The unit automatically shut on November 25 when a transmission breaker failed.

Reuters, 07:18 November 29, 2006

Progress Energy's 900 MW Crystal River Nuke Unit in Florida Ramps Up November 29

The unit ramped up to 89 percent of capacity this morning after being reduced to about 80 percent earlier so that workers could remove grass that was partially restricting water flow into the plant.

Bloomberg News, 11:14 November 29, 2006

TXU's 750 MW Martin Lake Coal-fired Unit 2 in Texas Shut November 28

The company shut the unit for short-term work to fix a boiler tube leak.

Reuters, 14:17 November 29, 2006

Dominion's 521 MW Mount Storm Coal-fired Unit 3 in West Virginia Shut November 29

According to traders, the company shut the unit to fix a tube leak.

Reuters, 10:18 November 29, 2006

OPG's 490 MW Nanticoke Coal-fired Unit 8 in Ontario Shut November 29

Reuters, 08:20 November 29, 2006

AES' 335 MW Alamos Gas-fired Unit 4 in California Shut November 28

Reuters, 08:20 November 29, 2006

Calpine's 264 MW Sutter Gas-fired Unit in California Shut November 28

Reuters, 08:20 November 29, 2006

Buffalo Energy Proposes 1,000 MW Coal-Gasification Power Plant in Wyoming

The company said it would seek a permit to build a 1,100 MW coal-gasification power plant in Wyoming that will begin producing electricity in 2009. The integrated gasification combined cycle (IGCC) plant will use a process that involves converting coal into a synthetic gas.

Reuters, 13:14 November 29, 2006

Petroleum

Update: Coker Repairs Will Cut Output at Valero's Port Arthur, Texas Refinery

Valero said that 300,000-400,000 barrels of gasoline and 250,000-400,000 barrels of distillate production will be lost due to repairs to a delayed coking unit at the company's 260,000 b/d refinery in Port Arthur Texas. The company is still working to determine the full extent of repairs needed as well as duration of outage. On Monday, the company began investigating a leak on a blowdown line on the delayed coking unit.

Reuters, 17:12 November 28, 2006

Update: Shell Restarts Cat Cracker at Deer Park, Texas Refinery November 28

According to a filing with Texas regulators, Deer Park Refining (a joint venture between Shell and Pemex) restarted the 67,000 b/d catalytic cracking unit at its 340,000 b/d refinery in Deer Park, Texas. The unit was shut on November 4 for repairs on its regeneration section. A restart of the unit was delayed from mid-November to late-November to complete repairs. Crude intake at the refinery was slightly reduced by the shutdown of the cat cracker and an alkylation unit in early November

Reuters, 08:19 November 29, 2006

BP Starts Up Unit at Carson, California Refinery November 28

According to a filing with California regulators, BP started up an unnamed unit at its 260,000 b/d refinery in Carson, California. The refinery released chemicals into the air because of the startup.

Bloomberg News, 13:47 November 29, 2006

Update: Mortar Attack in Northern Iraq Cut Kirkuk Production by 200,000 b/d

Damage from a mortar attack on an oil processing facility in Arafah, Iraq has forced the Kirkuk oilfield to reduce output to 100,000 b/d, down from 300,000 b/d. On Monday, when the attack occurred, officials said that production could be reduced for some time. Before the 2003 U.S.-led invasion of Iraq the Kirkuk field pumped about 800,000 b/d.

Reuters, 10:36 November 29, 2006

Motiva's Port Arthur Refinery in Texas to Double Capacity to 600,000 b/d by 2010

Plans are being made to double capacity at Motiva's Port Arthur refinery in Texas to 600,000 b/d by 2010, which could make it the largest refinery in the nation. The expansion project is less expensive than building a new facility at a new site.

<http://www.chron.com/disp/story.mpl/business/energy/4363797.html>

BP to Begin Testing of New Emergency Alert System at Texas City Refinery in Texas

Alert system tests at BP's Texas City refinery in Texas are scheduled to begin this week (November 27) and continue through the end of the year. The new system, which includes sirens, pager alerts, and internal video communications, is a response to the 2005 explosions in which 15 people were killed, and more than 170 people were injured. Investigations and BP's internal assessment found that the refinery's previous emergency alert system was inadequate.

<http://news.galvestondailynews.com/story.lasso?ewcd=a0ea27ce4245dca4>

BLM Report on U.S. Oil and Gas Resources Highlights Leasing Restrictions; IPAA Urges Easing of Development Constraints

On November 28, the US Bureau of Land Management (BLM) released a report that showed a substantial increase in U.S. inventory of oil and gas reserves on federal lands that are potentially available for lease. The report also said, however, that the leasing of around 51% of oil acreage and 27% of natural gas lands is unavailable due to current laws. In response to the BLM report, the Independent Petroleum Association of America (IPAA) urged Congress to "develop policies that streamline the regulatory burdens placed on American oil and gas development."

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

<http://www.platts.com/Natural%20Gas/News/7902788.xml?p=Natural%20Gas/News&sub=Natural%20Gas>

Natural Gas

Update: Construction on Weaver's Cove LNG Terminal to Begin Within a Year

A Weaver's Cove executive announced on November 28 that construction will begin on the Weaver's Cove LNG terminal in Fall River, Massachusetts, within nine to 12 months. Once completed, the terminal will import 400 MMcf/d.

<http://intelligencepress.com/>

Plans Launched for North America's First LNG Storage and Transshipment Facility

Plans to build North America's first liquefied natural gas (LNG) storage and transshipment facility have been launched by Newfoundland LNG. The facility is planned for Grassy Point on Placentia Bay in southeastern Newfoundland.

<http://intelligencepress.com/>

Falcon Gas Storage to Build New Barnett Shale Pipeline in North Texas

The company announced that it will build a new 63-mile 450 MMcf/d pipeline to serve its expanded 16 Bcf working capacity Worshom-Steed Gas Storage Facility in the western part of the Barnett Shale gas play in North Texas. The pipeline will interconnect with two existing major 36-inch gas transmission pipelines that serve North Texas. Commercial operation is scheduled to begin September 2007.
Reuters, 09:59 November 29, 2006

Point Thomson Lease Withdrawals Threaten Alaska Natural Gas Pipeline Project - Exxon

Exxon Mobil Corp. said that Alaska's decision to terminate gas and oil leases for the Point Thomson field will increase companies' reluctance to build a major natural gas pipeline connecting natural gas production on the Alaska North Slope (ANS) with markets in the lower 48 United States. The proposed Alaska natural gas pipeline already faces cost and regulatory obstacles. Yesterday, the Alaska Natural Resources Commissioner posted a statement saying that Point Thomson leases held by several companies were being terminated because of failure by the companies to meet contractual obligations to develop the fields. The companies have 30 days to appeal the decision. The terminated leases hold as much as 9 trillion cubic feet of gas, about one quarter of proven ANS gas reserves.
Bloomberg News, November 28, 2006

Other News

Shipyard Backlogs Will Likely Delay Offshore Rig and Drillship Delivery - Noble

According to Noble Corp., the world's third largest offshore oil and gas driller, more than 100 new offshore rigs and drillships scheduled for delivery over the next few years will likely be delayed due to work backlogs at big shipyards.
Bloomberg News, 13:17 November 29, 2006

Energy Prices

U.S. Oil and Gas Prices			
November 29, 2006			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	62.45	56.79	56.46
NATURAL GAS Henry Hub \$/Million Btu	7.74	7.57	11.17

Source: Reuters

Energy Notes

Update: Electricity Resumes After Seven-Day Outage in Lions Bay, British Columbia; 17,000 Remain Without Power

<http://www.canada.com/theprovince/news/story.html?id=2290fd3d-ca9f-4ebb-9fa4-83f1827a58ba&k=53125>

Colonial Pipeline Tells Shippers to Reduce Distillate Shipments From December 10-15 Due to Heavy Demand for Space

Bloomberg News, 15:33 November 28, 2006

DM&E Railroad Takes 'Risky' Step On Project to Allow Railroad Expansion Into Powder River Basin Coalfields

<http://www.platts.com/Coal/News/7903036.xml?p=Coal/News&sub=Coal>

Oil Sands Projects and Offshore Estimate Increases Added 3 Billion Barrels to Canada's Recognized Crude Oil Reserves in 2005 – CAPP

Reuters, 14:17 November 29, 2006

Ecuador's Leftist President Elect Says Country Will Refine Oil in Venezuela

Reuters, 10:24 November 29, 2006

Bosporus Reopens After Tuesday Crash, Delays on Turkish Straits at 10 Days

Reuters, 07:47 November 29, 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