



ENERGY ASSURANCE DAILY

Wednesday, December 27, 2006

Major Developments

Over 340,000 Customers Lose Power in Northern and Central California Tuesday Night, December 26

Pacific Gas & Electric Co. officials blamed high winds for downing power lines throughout northern and central California. More than 100,000 customers were without power Wednesday morning. A PG&E spokesman said about 340,000 customers had lost power at one point Tuesday.

http://www.examiner.com/a-477287~Utility_crews_fix_power_lines_knocked_over_during_NorCal_storm.html

Electricity

MidAmerican Energy's 99 MW Victory Wind Project in Iowa Begins Operation

The project consists of 66 wind turbines in Carroll and Crawford counties. MidAmerican plans to complete a 123-megawatt project near Pomeroy in 2007 to help achieve the goal of 1,000 megawatts of renewable energy in Iowa by 2010, a challenge set by Governor Tom Vilsack.

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7588327

SCE's 886 San Onofre Nuke Unit 3 in California Lowers Output December 24

The Southern California Edison San Onofre nuclear power plant had an unplanned reduction of power due to an oxygen leak into a secondary system. The unit, currently at 20 percent power, will remain at about 20-30 percent power until the source of the leak is found and repaired.

Reuters, 19:52 December 26, 2006

Update - NRC Calls Problem at Palo Verde Nuke Plant 'Egregious'

On December 26, the U.S. Nuclear Regulatory Commission (NRC) released its assessment of the latest problem with the fouled heat exchangers at Arizona Public Service's Palo Verde Nuclear Generating Station. The commission concluded that although fouled emergency cooling equipment at the station carried a very low risk of triggering a serious failure, the problem was "particularly egregious" because it had gone undetected for years.

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7589238

LADWP's 1,440 MW Castaic Hydro Plant in California Restarted December 26

Reuters, 07:26 December 27, 2006

OPG's 494 MW Lambton Coal-fired Unit 3 in Ontario Shut December 26

Reuters, 07:26 December 27, 2006

Progress Energy's 937 MW Brunswick Nuke Unit 2 in North Carolina Shut December 25

Reuters, 07:26 December 27, 2006

TransAlta's 399 MW Sundance Coal-fired Unit 6 in Alberta Shut December 25

Reuters, 07:26 December 27, 2006

Complete's 259 MW La Paloma Gas-fired Unit 1 in California Shut December 25

Reuters, 07:26 December 27, 2006

Petroleum

Shell's 98,500 b/d Refinery in Wilmington, California Flares Gas December 25-27

The Los Angeles-area refinery reported a large amount (250 tons) of SO₂ flared Monday. A small amount (100 pounds) of VOCs were flared on Tuesday and a small amount (500 pounds) of SO₂ was flared today.

Reuters, 12:02 December 27, 2006

Update: Divers to Plug Damaged Gulf of Mexico Oil Pipeline December 27

Divers are expected to plug a hole in the High Island Pipeline System in the Gulf of Mexico later on Wednesday and inspect the damage caused by a ship's anchor that led to an oil spill on Sunday, a U.S. Coast Guard spokesman said.

Approximately 1,000 barrels of crude oil has leaked from the pipeline. The line has a capacity of 26,000 b/d.

Apache said Tuesday that it had shut in 4,000 barrels per day of oil output due to the pipeline closure.

Reuters, 10:01 December 27, 2006

Oil Tankers Face Long Delays at Turkish Straits

Tankers are being delayed as much as six to seven days if moving north through the Dardanelles Strait and three to four days moving south. Tankers are also being delayed one to three days to move through the Bosphorus Strait. Oil tankers moving in and out of the Black Sea pass through these Straits to move into the Aegean Sea and on to the Mediterranean Sea to deliver oil to their customers in Europe and in the West.

Reuters, 09:42 December 27, 2006

Update: Russia's Novorossiysk Oil Port Reopens December 26

Russia's main Black Sea oil port of Novorossiysk reopened on Tuesday after a week-long closure due to bad weather, a shipping source said on Wednesday.

Reuters, 08:56 December 27, 2006

Iraq Pumping Kirkuk Crude Oil to Ceyhan, Turkey

Iraq pumped about 150,000 barrels of Kirkuk crude from its northern oilfield to Turkey between Tuesday and Wednesday. Trouble with a pumping station stopped the pumping early today. Exports of this crude through Turkey have been plagued by repeated sabotage attacks on the pipeline since the U.S.-led invasion of Iraq in March 2003.

Reuters, 08:09 December 27, 2006

Vandalized Pipeline Explodes in Lagos, Nigeria December 26 Killing 269

On Tuesday, December 26, fuel spilling from a vandalized gasoline pipeline exploded in Lagos, Nigeria, killing hundreds of local residents. The Red Cross has confirmed 269 dead, and 160 people were taken to hospitals. Nearby residents had been collecting the fuel from the ruptured pipeline for hours before the explosion. It is unclear what ignited the fuel. Thieves tapping into pipelines to steal gasoline or other petroleum products has been occurring with increasing frequency in Nigeria, where the majority of the country's population lives in poverty despite the country's oil wealth. Separately, there has also been an increase in the attacks on facilities and kidnapping of workers of foreign oil companies operating in Nigeria. The stolen oil is often sold in the black market and kidnapped oil workers are typically returned unharmed after being held for ransom. Although Tuesday's blast was the worst in years, the situation is expected to escalate as regional tensions continue to build ahead of Nigeria's upcoming general election in April 2007.

Oil Daily, December 27, 2006.

<http://www.cnn.com/2006/WORLD/africa/12/27/nigeria.blast.ap/index.html?>

<http://www.msnbc.msn.com/id/11125851/>

Natural Gas

FERC Approves Golden Pass Pipeline's Request to Widen Pipe Diameter in East Texas

Golden Pass Pipeline LP's request to amend, for a second time, its certificate to build a pipeline in East Texas has been approved by FERC. The pipeline will transport re-gasified liquid natural gas (LNG) from the Golden Pass LNG receiving terminal, which is now under construction in southeastern Texas.

<http://intelligencepress.com>, [NGI's Daily Gas Price Index](#), December 27, 2006

Other News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices			
December 27, 2008			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	60.31	63.06	58.16
NATURAL GAS Henry Hub \$/Million Btu	5.54	6.43	10.22

Source: Reuters

Energy Notes

New Look at Managing Nuclear Fuel Market and Guaranteeing Nuclear Fuel Supplies Needed

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7588269

Austin Energy in Texas Reports That About 20 Percent of All Its Power Outages Are Caused by Squirrels

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7586716

Maine Land Use Regulation Commission Recommends Approval of Proposed 90 MW Maine Mountain Power's Redington Wind Farm

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7588409

Kuwait's Proposed Al-Zour Refinery Facing Cost Crunch; Project Could be Scrapped

Oil Daily, December 27, 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

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

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