



U.S. DEPARTMENT OF ENERGY
Office of Energy Assurance

ENERGY ASSURANCE DAILY

October 12, 2004

Electricity

Palisades Nuke Plant in MI to Extend Outage

Consumers Energy said it plans to extend the refueling outage at the 789 MW Palisades nuclear plant in Michigan by at least 5 to 6 weeks to allow for further inspections and possible repairs to two reactor vessel head penetrations. The plant shut down Sept. 19 for a scheduled refueling and now is expected to return to service in early December.

Reuters, 1449 October 12, 2004

Bloomberg News, 1532 October 12, 2004

Wolf Creek Nuke in KS as Power Slip to 81 Percent

In Kansas, the 1,235 MW Wolf Creek nuclear power unit in Kansas slipped to 81 percent power as of early Tuesday, down from full power a day earlier. A plant spokeswoman said the reduction in output was to facilitate work on a switch in the startup transformer. It is expected to be back at full power around midweek.

Reuters, 1449 October 12, 2004

Elk Hills Gas-fired Unit Curtails Power

Sempra's Elk Hills gas-fired plant curtailed 324 MW of its 549 MW capacity on Tuesday.

Reuters, 1401 October 12, 2004

OPG's 535 MW Lennox 2 Oil-fired Unit in ON Restarted on Tuesday

Reuters, 1516 October 12, 2004

NB Power's 635 MW Pt. Lepreau Nuclear Unit in NB restarted on Tuesday

Reuters, 1516 October 12, 2004

Constellation to Run Calif. High Desert Plant Tuesday

Constellation Energy Group Inc. prepared to operate its 830-megawatt High Desert natural gas-fired plant in California, a spokesman for the plant said Tuesday. Early Tuesday, the company curtailed the unit by 769 MW, compared with just 42 MW late Monday following repairs on a failed torque converter.

http://yahoo.reuters.com/financeQuoteCompanyNewsArticle.jhtml?duid=mtfh20789_2004-10-05_15-56-50_n05298198_newsml

Real-time Prices Spike in Both North and South California Monday

Real-time prices posted on the California Independent System Operator Open Access Same Time Information System for both the southern SP15 and northern NP15 zones spiked Monday, the sixth day since October 1 that posted prices spiked. On Oct 1, the Pacific-DC Intertie transmission line was taken out of action for maintenance, which runs through the end of the year, and the ISO implemented a new dispatch system. The 2,990-MW line runs from the Northwest directly to Southern California.

<http://www.platts.com/Electric%20Power/News/4524554.xml?S=n>

Tax Credits for Wind Energy Projects Back

President Bush signed a tax bill Monday that renews lucrative federal production tax credits for wind energy projects. To qualify for the tax credits, developers must have their wind turbines up and spinning by Dec. 31, 2005. The American Wind Energy Association, the industry's top trade group, estimates about \$3 billion of wind energy projects have been waiting for renewal of the tax credits, which expired at the end of 2003.

<http://powermarketers.net/contentinc.net/newsreader.asp?ppa=8knpp%5EZkkenvqqXTfc%23%3A%40%24bfej%5B%21>

Reliant Energy to Turn Pennsylvania Coal Waste into Power

Reliant Energy plans to use coal waste piles to generate enough electricity to light about half a million homes. The big advantage of coal waste is cost. It's free. Reliant only has to truck in the fuel. When fully operational, the plant will use 3.5 million tons of coal waste a year. The heap in Bakerton, about 70 percent of which will go to Reliant's Seward plant, should be cleaned up within four years, the Ebensburg pile within 16 years.

<http://powermarketers.net/contentinc.net/newsreader.asp?ppa=8knpp%5EZkkekswuVTfc%23%3A%40%24bfej%5B%21>

Petroleum

Hurricane Ivan Evacuation and Oil Production Shut-in Statistics

The shut-in oil production is equivalent to 27.73% of daily production of oil in the GOM, which is approximately 1.7 million BOPD. The cumulative (9/11/04-10/12/04) shut-in oil production is 18,921,852 bbls which is equivalent to 3.127% of the yearly production of oil in the GOM, which is approximately 605 million barrels.

<http://www.mms.gov/ooc/press/2004/press1012.htm>

Louisiana Oil Port to Operate at Reduced Rates

The Louisiana Offshore Oil Port, the biggest U.S. oil import terminal, will probably operate at reduced rates for the rest of this week while repairs are made at a pumping station, a port official said.

Bloomberg News, 1333 October 12, 2004

US Energy Dept says continues to review SPR loan requests

The US Department of Energy will continue to review requests as they come in from refiners looking for loans from the Strategic Petroleum Reserve to make up for Gulf of Mexico supplies lost due to last month's Hurricane Ivan, a DOE spokeswoman said Tuesday.

<http://www.platts.com/Oil/News/9783273.xml?S=n>

US DOE Loans Premcor 700,000 More Barrels of Oil

The U.S. Energy Department said on Tuesday it will loan Premcor Inc. an additional 700,000 barrels of oil from the Strategic Petroleum Reserve to help make up for oil supplies disrupted by Hurricane Ivan. The light, sweet crude oil will be delivered in November to the company's refinery in Memphis, Tennessee, which can process 190,000 barrels of crude a day. This is the second loan to Premcor, after the refiner entered a deal to borrow 500,000 barrels of crude from the government last week.

Reuters, 1318 October 12, 2004

Oil Prices Top \$54 a Barrel Then Retreat

Oil prices fell sharply Tuesday after briefly surpassing \$54 a barrel amid nagging concerns in the market that the global supply buffer is too thin to handle a significant output disruption. Light sweet crude for November delivery sank \$1.13 to \$52.51 per barrel on the New York Mercantile Exchange after rising as high as \$54.45 earlier in the day. Nymex oil futures settled Monday at a record \$53.64 per barrel.

http://biz.yahoo.com/ap/041012/oil_prices_19.html

http://biz.yahoo.com/rb/041012/markets_oil_11.html

Nigeria's Labor Union Warns Strike May be Prolonged Beyond Oct 14

Nigeria's powerful trade union group warned Oct 12 that a four-day warning strike over rising fuel prices might be prolonged because of the killing of a young demonstrator by police.

<http://www.platts.com/Oil/News/5053510.xml?S=n>

Production Staff May Join Strike in Norway

Norway's OFS oil union is considering extending its current strike on drilling rigs to involve OFS members working on the country's oil platforms, union president Terje Nustad warned Monday. International Oil Daily, October 12, 2004

Shell Says Nigeria Fire to Cut Output by 20,000 bpd

A fire a major Royal Dutch/Shell oil pipeline in Nigeria would cut crude output by about 20,000 barrels per day for a "few days", but there would be no force majeure on exports, company spokesmen said on Tuesday. "There will be a cut back in production of 20,000 barrels per day for a few days while we repair the pipeline," said a spokesman, adding that the exact outage time was not yet known.

Reuters, 0836 October 12, 2004

Natural Gas

Hurricane Ivan Evacuation and Gas Production Shut-in Statistics

The shut-in gas production is equivalent to 13.87% of the daily production of gas in the GOM, which is approximately 12.3 BCFPD. The cumulative (9/11/04-10/12/04) shut-in gas production is 80.914 BCF which is equivalent to 1.818% of the yearly production of gas in the GOM which is approximately 4.45 TCF.

<http://www.mms.gov/ooc/press/2004/press1012.htm>

Henry Hub, Other Cash Markets Tumble on NYMEX, Low Demand

After rebounding as much as \$1 coming off the weekend, spot markets went the other way during mid-morning trading on Tuesday, with some points losing as much as half of what they gained Monday. The Henry Hub sank nearly 30 cts to average in the mid-\$5.30s/MMBtu.

<http://www.platts.com/Natural%20Gas/News/4786142.xml?S=n>

Other News

Nothing to report.

Energy Prices

	Latest (10/12/04)	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate US \$/Barrel	52.51	51.08	32.01
NATURAL GAS Henry Hub \$/Million Btu	5.79	6.07	4.92

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