



# ENERGY ASSURANCE DAILY

Thursday Evening, July 03, 2008

## Electricity

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### **Thunderstorms Knock out Power to 225,000 Customers in Michigan and Ohio July 3**

Heavy thunderstorms swept across parts of Michigan and Ohio throughout the evening of July 2 and into the morning of July 3, cutting power to hundreds of thousands of customers in the state of Michigan. Approximately 225,000 electric customers were reported without electricity at the peak of outage activity. Consumers Energy reported 165,000 customers without electric service in Michigan July 3 at 11:00 AM EDT, whereas DTE Energy reported 55,000 customers without power in Michigan during the evening of July 2. Indiana Michigan Power reported 2,000 customers without power during the afternoon of July 2. Toledo Edison reported approximately 3,000 customers were without power in Ohio during the evening of July 2, with most customers restored July 3. A total of about 1,750 downed power lines have been reported to the two utilities.

<http://www.detnews.com/apps/pbcs.dll/article?AID=/20080703/METRO/807030419/1414/METRO05>

<http://www.news-sentinel.com/apps/pbcs.dll/article?AID=/20080703/NEWS02/807030304/1001>

<http://www.consumersenergy.com/welcome.htm?./Newsroom/Newsindex.asp>

<http://ap.google.com/article/ALeqM5jW-BndswWuhgPAPXOK4Q6TCQsANQD91MDA4O3>

### **Wildfires and Associated Smoke Force Shutdown of Power Transmission Lines in California Resulting in 150,000 SCE Customers Without Power July 2**

According to a Southern California Edison (SCE) representative, at 19:00 PDT July 2 approximately 150,000 customers lost power due the forced shutdown of power transmission lines caused by thick wildfire smoke in Santa Barbara county. The representative reports that power was restored to all customers by midnight, July 2.

[http://www.modbee.com/state\\_wire/story/348681.html](http://www.modbee.com/state_wire/story/348681.html)

### **Strong Winds and Heavy Rain Knock out Power to 47,670 Customers in Missouri July 2**

The heavy rains and strong winds in the Kansas City area flooded highways and knocked out power to thousands of customers in Missouri during the evening of July 2. Kansas City Power and Light Company reported on its website a peak of 32,000 customers without power during the evening of July 2 whereas Aquila reported a height of 15,670 customers without power. Restoration efforts have brought the outage numbers down for both utilities; Kansas City Power and Light reports 9,135 customers remain without power in Missouri during the morning of July 3, and Aquila reports 86 customers remain without power in Missouri as of 01:00 PM EDT July 3.

<http://www.fortmilltimes.com/124/story/214366.html>

<http://www.kansascity.com/703/story/690411.html>

### **Update: Dominion's 871 MW Millstone Nuke Unit 2 in Connecticut at Full Power by July 3**

The unit was shut on June 28 after Dominion reported seeing some oscillations in the feedwater heater system during valve testing. According to the Nuclear Regulatory Commission, the unit was operating at 70 percent on the morning of July 2. Information also derived from NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2008/>

Reuters, 08:04 July 3, 2008

### **Update: FirstEnergy's 1,235 MW Perry Nuke Unit 1 in Ohio at Full Power by July 3**

According to the Nuclear Regulatory Commission, the unit was operating at 79 percent on the morning of July 2. Information derived from NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2008/>

## **Entergy's 858 MW Arkansas Nuclear One Nuke Unit 2 in Arkansas Reduced to 62 Percent by July 3**

The unit was reduced in order to fix a tube leak associated with the feedwater heater. According to the Nuclear Regulatory Commission, the unit was operating at 100 percent on the morning of July 2.

Information also derived from NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2008/>  
<http://uk.reuters.com/article/oilRpt/idUKN0330051820080703>

## **APS's Palo Verde Nuclear Generating Station in Arizona Making Progress in Fixing Safety Issues – Could Earn Status Upgrade by 2009, NRC Says**

The plant has been in Category 4 operating status, one level above shutdown, since February 2007 for operational problems that date to 2003. According to NRC regulators, the Palo Verde plant is making reasonable progress in addressing operational problems, and if the progress continues, regulators say its Category 4 status may be upgraded by the end of 2009.

<http://www.azcentral.com/arizonarepublic/business/articles/0702biz-paloverde0702.html>

## **Update: U. S. Bureau of Land Management Calls Off Moratorium on Solar Plant Applications in Six Western States July 2**

The U.S. Bureau of Land Management (BLM) July 2 said it reversed an earlier decision freezing solar project applications on public lands in six Western states and said it would accept new applications. The government agency announced a freeze for the states of Arizona, California, Colorado, New Mexico, Nevada and Utah at the end of May and the decision was criticized by many in the solar industry.

[http://www.blm.gov/wo/st/en/info/newsroom/2008/July/NR\\_07\\_02\\_2008.html](http://www.blm.gov/wo/st/en/info/newsroom/2008/July/NR_07_02_2008.html)

## ***Petroleum***

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### **PDVSA Reports Orinoco Belt Oil Output in Venezuela Unaffected by Strike**

Petroleos de Venezuela SA (PDVSA) is reporting operations in the oil-rich Orinoco Belt in Venezuela are normal despite claims by labor leaders that the 4,000 member workers strike has shut four pumping and upgrading projects.

<http://www.bloomberg.com/apps/news?pid=20601072&sid=aSHLySGLe3Is&refer=energy>

### **Deepwater Oil Rig Fleet to Double, Schlumberger CEO Reports**

The CEO of the world's largest oil services company, Schlumberger, recently announced the world's fleet of oil rigs will double in the coming years with 160 new rigs currently under construction.

Reuters, 06:01 July 3, 2008

### **Residual Hydrotreater Restarts at BP's 225,170 b/d Texas City, Texas Refinery July 2**

BP reported flaring due to the restart of the residual hydrotreater.

Reuters, 15:54 July 2, 2008

### **Chevron Reports Pressure Drop on its 23-mile Crude Pipeline Serving its 274,000 El Segundo, California Refinery July 3**

Chevron reported the drop in pressure on the 23-mile crude oil pipeline between La Miranda, California and its El Segundo refinery was found when workers were in the process of hydrostatically testing the line. Personnel are on standby in the event that a release is found, and four crews are currently riding the line to find the leak.

Bloomberg News, 09:12 July 3, 2008

### **Shell Reports 225,000 b/d Bonga Oilfield Offshore Nigeria Back in Force Majeure July 3**

According to a Shell representative, the company has declared force majeure once more on loadings at its 225,000 b/d Bonga oilfield offshore Nigeria. Damage to one of the loading buoys has caused the force majeure declaration; the damage was not caused by militant activity the representative reports.

<http://www.platts.com/Oil/News/8852762.xml?p=Oil/News&sub=Oil>

## Natural Gas

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### Compressor Leak Reduces El Paso's San Juan Basin Mainline by 208 MMcf/d July 3

According to a posting on El Paso Natural Gas Company's website, an oil leak will necessitate the shutdown of the White Rock #1 compressor station on the company's San Juan Mainline out of the San Juan Basin in New Mexico. Beginning Gas Day July 3, throughput on the San Juan Mainline and total San Juan Basin production will be reduced by 208 MMcf/d while the leak is being repaired.

<http://passporthebb.elpaso.com/ebbEPG/Notices/NoticeView.asp?sPipelineCode=EPNG&sSubCategory=Critical&sNoticeId=7009>

### Williston Basin Interstate Pipeline Company Announces Plans for 40 MMcf/d Grasslands Pipeline Expansion for Increased Delivery Volumes out of the Powder River Basin

MDU Resources Pipeline subsidiary, Williston Basin Interstate Pipeline Company, announced plans to expand its existing Grasslands Pipeline which currently runs from the Powder River Basin in northeastern Wyoming to western North Dakota. The proposed pipeline expansion would add up to 40 MMcf/d to existing volumes on the Grasslands Pipeline and will be accomplished by adding new compression facilities. The project cost is expected to be in the range of \$15 million to \$20 million and the targeted in-service date of this expansion project is August 2009.

<http://biz.yahoo.com/bw/080701/20080701005816.html?.v=1>

## Other News

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### Update: U.S. Army Corps of Engineers Re-Opens Mississippi River Lock 21 in Illinois July 3

The U.S. Army Corps of Engineers (ACE) announced Lock 21 at Quincy, Illinois re-opened July 3 at 11:00 AM EDT. Lock 22 at Saverton, Missouri is scheduled to re-open July 4, and Lock 20 at Canton, Missouri to re-open July 5. With the forecasted re-opening of Lock 20, Locks 11 through 22 will have the ability to lock through river traffic by the estimated date of July 5.

<http://www2.mvr.usace.army.mil/NewsReleases/default.cfm?SEQNO=564>

## Energy Prices

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U.S. Oil and Gas Prices			
July 3, 2008			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	144.35	131.59	71.34
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	13.31	12.76	6.37

Source: Reuters

## Energy Notes

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### Downed Power lines Close Interstate-74 in Indiana for Nearly Nine Hours July 2

[http://www.wlfi.com/Global/story.asp?S=8608225&nav=menu591\\_3](http://www.wlfi.com/Global/story.asp?S=8608225&nav=menu591_3)

### Texas Regulators Approve AEP's Proposal to Build 600 MW Turk Coal-fired Power Plant in Arkansas - AEP's Southwestern Electric Power Company Supplies Electricity to Customers in Arkansas, Louisiana and Texas

Reuters, 12:07 July 3, 2008

## **Valero's 139,000 b/d Wilmington, California Refinery Unaffected by Small Pipeline Leak July 3**

Reuters, 12:21 July 3, 2008

## **Flaring Reported at ConocoPhillips's 139,000 Carson, California Refinery**

Reuters, 12:02 July 3, 2008

## **Iraqi Oil Exports Drop 300,000 b/d from May to 1.7M b/d Due to Inclement Weather**

Oil Daily, July 3, 2008

## **U.S. Naval Commander Says U.S. Will Not Allow Iran to Close Off Strategic Strait of Hormuz in the Persian Gulf**

<http://www.latimes.com/news/nationworld/world/wire/sns-ap-emirates-us-iran.1.3407229.story>

## **International Monetary Fund (IMF) Urges Review of Biofuel Subsidies upon Growing Evidence Biofuels are Neither a Cost-effective nor Environment-friendly Alternative to Carbon-based Fuels**

<http://www.imf.org/external/np/pp/eng/2008/063008.pdf>

## **Links**

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***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](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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