



ENERGY ASSURANCE DAILY

Tuesday Evening, January 29, 2008

Electricity

Strong Winds Down Power Lines, Fuel Wildfires Leaving 43,100 Customers Without Power in Texas January 29

Strong, winds across parts of Texas fueled wildfires, downed power lines and delayed flights. Oncor reported approximately 40,000 customers without power in North Texas, while Texas-New Mexico Power (TNMP) reported 1,000 customers without power and CoServ reported 2,100 customers without power.

<http://www.kwtx.com/home/headlines/14781786.html>

Storm Knocks Out Power to 28,200 SDG&E Customers in California January 28

At approximately 8:30 PM EST, 28,207 customers were reported without electricity, according to the company website. As of 10:00 PM EST, all but 384 customers had been restored.

<http://outages.sdge.com/publicOutageWeb/servlet/OutageList>

FPL's 839 MW Saint Lucie Nuke Unit 2 in Florida Shut January 29

The unit was shut to repair a reactor coolant pump. A company representative declined to state when the reactor may return to full power.

Bloomberg News, 08:42 January 29, 2008

Duke's 754 MW Moss Landing Gas-fired Unit 6 in California Shut January 28

According to the California Independent System Operator, the unit experienced an unplanned outage on January 28.

<http://www.caiso.com/unitstatus/data/unitstatus200801281515.html>

Luminant's 750 MW Martin Lake Coal-fired Unit 3 in Texas Shut January 27

The unit was shut to repair a tube leak and is expected to restart later on January 29 following the repairs.

Reuters, 21:12 January 28, 2008

Reuters, 08:14 January 29, 2008

AEP's 528 MW Welsh Coal-fired Unit 2 in Texas Shut January 26

Reuters, 21:12 January 28, 2008

OPG's 490 MW Nanticoke Coal-fired Unit 1 in Ontario Shut January 29

Reuters, 8:56 January 29, 2008

OPG's 490 MW Nanticoke Coal-fired Unit 3 in Ontario Shut January 28

Reuters, 21:12 January 28, 2008

ENMAX's 250 MW Calgary Gas-fired Unit in Alberta Shut January 29

Reuters, 8:56 January 29, 2008

Update: Sempra's 625 MW Termoelectrica De Mexicali Gas-fired Unit 1 in Baja, Mexico Returns to Service January 28

According to the California Independent System Operator, the unit experienced an unplanned outage on January 28.

<http://www.caiso.com/unitstatus/data/unitstatus200801281515.html>

MidAmerican Abandons Plans for Proposed Nuclear Power Plant in Idaho January 29

MidAmerican Nuclear Energy Company announced its decision today to abandon plans for a proposed nuclear power plant in Payette County, Idaho. According to a statement released by the company's president, "the decision is based on economic considerations and not on issues related to the suitability of the Idaho site."

<http://midamericannuclear.com/html/overview.asp>

Petroleum

Valero Cuts Throughput at its 144,000 b/d Benicia, California Refinery January 29

Citing declining refining margins and a drop in gasoline demand in California, a company representative reports that Valero has cut throughput at its Benicia refinery.

Reuters, 11:22 January 29, 2008

Update: Valero's 275,000 b/d Aruba Refinery to Resume Partial Operations in Two Weeks, Reduced Throughput to Last Three Months

Following the January 25 fire at its Aruba refinery and subsequent announcements of the restart to proceed without the fire-damaged vacuum tower, Valero said it will resume partial operation in two weeks. Valero anticipates that reduced throughput at its Aruba refinery will last approximately three months.

Reuters, 11:21 January 29, 2008

Bloomberg News, 12:00 January 29, 2008

Ultrareformer Shut at BP's 437,000 b/d Texas City, Texas Refinery January 29

BP has shut a 65,000 b/d ultrareformer at its Texas City refinery due to mechanical problems. The ultrareformer is expected to be restarted later today, traders said.

OPIS Alert, 12:16 January 29, 2008

Compressors on Coker Unit Shut at ConocoPhillips's 247,000 b/d Sweeny, Texas Refinery January 28

According to a filing with state regulators, the recycle gas compressor at Unit 26.1 tripped and shutdown for a short period due to liquid carry-over from the amine tower. The gases from Unit 26.1 and Unit 26.2 caused the 1st stage hydrogen feed compressor at Unit 26.2 to trip and shutdown. Operations personnel restarted both compressors and normal operations were restored. There was no loss of production due to this event.

<http://www2.tceq.state.tx.us/er/main/index.cfm?fuseaction=getDetails&target=102949>

Update: Cause of October 2007 Fire at ExxonMobil's 60,000 b/d Lockwood Refinery in Montana Revealed January 28

According to a company representative, the explosion and fire which occurred on October 17 at ExxonMobil's Lockwood refinery was caused by metal failure in piping where hot and cold hydrogen gases mixed before entering a reactor in the high-pressure hydrocracker unit. The hydrocracker went back into service about mid-December 2007 and all of the refinery's units are working at almost full capacity.

<http://www.greatfalltribune.com/apps/pbcs.dll/article?AID=/20080128/NEWS01/80128020>

Chevron Begins 90,000 b/d Expansion at Tengiz Field in Kazakhstan January 29

Chevron affiliate Tengizchevroil LLP has launched the first phase of expansion at the Tengiz oilfield. The preliminary expansion of 90,000 b/d brings Tengizchevroil's capacity to a total of approximately 400,000 b/d.

Reuters, 04:11 January 29, 2008

Ecuador Issues a 45-Day Ultimatum to Oil Companies to Reach Agreement on New Contract Terms

As Ecuador seeks to increase its control over the country's hydrocarbons industry, President Rafael Correa issued a 45 day ultimatum to oil firms to reach an agreement with the government to overhaul their contracts held within the country. Ecuador started negotiations with five oil firms (Repsol, Andes Petroleum, Petrobras, Perenco and City Oriente) to switch from contracts that allow companies to keep part of the oil they extract, to deals in which the state keeps all the crude in exchange for a service fee. Ecuador exports 500,000 barrels daily.

<http://www.reuters.com/article/oilRpt/idUSN2844970920080128>

Refiners Cutting Runs as \$90 Oil Dwarfs Refined Product Prices Planned Reductions Suggest a Sufficient Crude Supply

Refiners are stockpiling crude, a Reuters' poll said, as refined product prices fail to keep pace with rising crude oil prices. Deliberate run cuts are typical in non-peak seasons—as demand slows, refiners reduce rates to steady product prices—but this year's curtailments are larger than normal. At least 400,000 b/d of oil is shut in worldwide. The cuts suggest a steadier oil market, where refiners can sit on crude and wait for product prices to rise.

http://www.forbes.com/reuters/feeds/reuters/2008/01/29/2008-01-29T111605Z_01_L24914075_RTRIDST_0_ENERGY-REFINING-CUTS.html?partner=moreover?partner=moreover

Natural Gas

Gas Leak Cuts Natural Gas Service to 5,200 Customers in North Dakota, Governor Authorizes Emergency Services

On January 27, utility workers discovered a gas leak and repaired it by the afternoon; however the process of turning off gas meters and reigniting pilot lights in the affected area pushed restoration well into January 29. The gas leak affected 5,200 customers and a Montana-Dakota Utilities representative said 60 crews from a four-state area are working to get natural gas supplies back online. North Dakota Governor Hoeven authorized emergency services and state agencies to help affected areas while the National Guard took space heaters to local fire departments for distribution.

http://www.upi.com/NewsTrack/Top News/2008/01/28/no_gas_no_heat_for_n_dakota_residents/5609/

Williston Basin Interstate Pipeline Declares Force Majeure on Baker Gathering System in Montana January 29

An electric power outage in eastern Montana and northwestern South Dakota on the evening of January 28 resulted in a loss of several compressor facilities in the Baker gathering field. Williston Basin Interstate Pipeline declared a force majeure on receipts out of the Baker Gathering System interrupting scheduled volumes for Jan-29th. The company reported at 2:30PM on January 29, that all facilities were placed back into service except for the Big Gumbo station. According to the company's website the force majeure was scheduled to end at 9:00 AM on January 30.

http://ebb.wbip.com/informational_postings/notices/System_Notices_detail.aspx?selectr=1640

http://ebb.wbip.com/informational_postings/notices/Planned_Service_Outages_Detail.aspx?selectr=575

Rockies Express Pipeline's Proposed Northeast Express Project May Extend Additional 40 Miles

As the result of discussions with prospective shippers, Rockies Express Pipeline (REX) is now considering an extension of the Northeast Express Project of approximately 40 miles from the Princeton, New Jersey area to a point of interconnection with Transcontinental Gas Pipeline Corporation downstream of its Linden regulator station in Linden, New Jersey.

http://www.kne.com/business/gas_pipelines/rockies_express/RE_Northeast_Suppl_01252008.pdf

Other News

Peabody and GreatPoint Plan Multiple Coal-to-Natural Gas Facilities in Wyoming's Powder River Basin

Peabody Energy and GreatPoint Energy announced plans to build more than one coal-to-natural gas facility in Wyoming's Powder River Basin. The project does not include an electrical generation component but will likely include carbon capture and sequestration.

http://pepei.pennnet.com/display_article/318359/6/ARTCL/none/PRODJ/1/Coal-to-gas-plant-planned-for-Wyoming/

Ethanol Production Increases in Minnesota, Concerns Grow Over Groundwater Running Low

Minnesota's ethanol production is expected to more than double by the year 2011 with 17 plants currently in operation, six under construction and 10 more proposed or in the planning stages. Concern is growing that groundwater is running low and current supplies will not satisfy the industry's needs. A new ethanol plant in Granite Falls depleted the groundwater last year to the extent that the plant had to begin pumping water from the Minnesota River.

http://www.downstreamtoday.com/News/Articles/200801/As_Ethanol_Booms_Minn_Worries_About_Gr_8346.aspx

Energy Prices

U.S. Oil and Gas Prices			
January 29, 2008			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	90.95	89.21	54.40
NATURAL GAS Henry Hub \$/Million Btu	7.87	8.42	7.35

Source: Reuters

Energy Notes

Update: Constellation Energy Ready to Start Construction of New Nuclear Plant by 2008

Reuters, 09:25 January 29, 2008

Freezing Rain Cuts Power to 22,000 Customers on Prince Edward Island in Canada January 29

<http://www.theguardian.pe.ca/index.cfm?sid=102861&sc=98>

Substation Blip Cuts Power to 14,900 LIPA Customers in New York January 28

<http://www.hampton.com/detail.ihtml?id=2801&apid=5840&sid=27&cid=54&hm=1&iv=1&townflag=>

Update: ConocoPhillips's J-Block Gas Fields Remain Shut in North Sea January 29

Contrary to January 28th reports, ConocoPhillips's J-Block Gas fields remain shut in the North Sea.

Bloomberg News, January 29, 2008

Iraq Suspends Crude Exports to South Korea's SK Energy over Kurdistan Exploration

<http://www.platts.com/Oil/News/8495446.xml?p=Oil/News&sub=Oil>

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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