



ENERGY ASSURANCE DAILY

Friday Evening, April 11, 2008

Electricity

Update: Following Tornadoes and Hail Storms, 50,000 Oncor Customers Remain Without Power in Texas April 11

As of 10:00 AM EDT, Oncor reports that about 50,000 customers remain without power following the devastating tornadoes and hailstorms of April 10 which knocked out electricity to 250,000 customers at its height. Oncor crews worked through the night to restore power, the company anticipates most of those customers remaining without power to be restored by late April 12.

<http://www.txelectricdelivery.com/news/newsrel/detail.aspx?prid=1125>

AEP's 675 MW Pirkey Coal-fired Unit in Texas Shut April 10

Reuters, 22:25 April 10, 2008

Luminant's 750 MW Monticello Coal-fired Unit 3 in Texas Shut April 10

Reuters, 22:25 April 10, 2008

Entergy's 858 MW Arkansas Nuclear Nuke Unit 2 in Arkansas Ramped Up to 17 Percent April 11

According to the Nuclear Regulatory Commission, the unit was not operating on April 10. Information derived from NRC Power Reactor Status Reports:

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

SCE's 1,070 MW San Onofre Nuke Unit 2 in California Reduced to 65 Percent April 11

According to California state regulators, the unit experienced an unplanned curtailment April 11 after operating at 99 percent April 10.

Information also derived from NRC Power Reactor Status Reports:

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

<http://www.caiso.com/unitstatus/data/unitstatus200804101515.html>

Update: Seasonal Transmission Line Maintenance Hinders Wind Power from Reaching Texas Power Grid -- Experts Say Work Needed to Integrate Wind Energy into Texas Grid

Strong spring wind production in West Texas has been trapped as major transmission lines are undergoing seasonal maintenance. The lack of sufficient transmission capacity combined with problems integrating the rising amount of wind-generated electricity into the Texas wholesale power market may slow short-term development

Reuters, 16:26 April 10, 2008

Petroleum

Fire Shuts FCC Unit at Marathon's 222,000 b/d Catlettsburg, Kentucky Refinery April 11

According to trade sources, the fire was in one of the refinery's substations and the fluid catalytic cracking unit was shut. According to one trader, the company has bought gasoline in the Group Three market.

<http://www.reuters.com/article/marketsNews/idUSN1135148720080411>

Brief Fire Shuts 45,000 b/d Hydrocracker at BP's 265,000 b/d Carson, California Refinery April 10

According to a filing with state regulators, a fire was reported at the refinery and has since been extinguished. Sources familiar with the refinery reported to Reuters that a 45,000 b/d hydrocracker was shut following the fire Thursday night caused by a leak in an oil line feeding a compressor.

<http://www.reuters.com/article/rbssEnergyNews/idUSN1138670520080411>

<http://www.oes.ca.gov/Operational/MALHaz.nsf/f1841a103c102734882563e200760c4a/e14eae53de34772988257428002195a5?OpenDocument>

Update: Colonial Pipeline to Begin Shipping ULSD to New York Harbor in July

Colonial Pipeline announced it will begin shipping ultra low sulfur diesel (ULSD) to all of its pipeline destinations and raise its maximum ULSD sulfur limit this summer from 8 ppm to 10 ppm maximum sulfur content. The U.S. Gulf Coast will now be able to send ULSD to the New York Harbor market beginning in July whereas before, Colonial only moved ULSD batches as far north as Maryland.

<http://www.platts.com/Oil/News/6856693.xml?p=Oil/News&sub=Oil>

Frontier's 110,000 b/d El Dorado, Kansas Refinery Restarts April 10, New Vacuum Tower Installed

Following a 38-day turnaround, the El Dorado refinery has restarted. The company added a new vacuum tower to the refinery, increasing the refinery's nameplate capacity to 120,000 b/d up from 110,000 b/d.

Reuters, 14:28 April 10, 2008

Update: CDU Back in Operation Following Fire ALON USA's 67,000 b/d Big Spring, Texas Refinery April 10

ALON USA reports it has restarted a crude unit at its Big Spring refinery after a previous attempt to restart it failed because of an April 7 fire. With the restart of the crude unit, the refinery is running at about 35,000 b/d.

Reuters, 13:57 April 10, 2008

Update: PDVSA's 320,000 b/d Isla Refinery in Curacao, Venezuela Restarts Following Power Outage

According to a refinery representative, the refinery is back online April 10 after a power outage shut it April 9.

<http://uk.reuters.com/article/oilRpt/idUKN1029457520080410>

Lukoil Estimates Russia's Arctic Region Holds 100 Billion Barrels of Oil and Natural Gas

Bloomberg, 10:27 April 11, 2008

Natural Gas

Update: Enterprise Declares Force Majeure on Independence Hub Shutdown, Anadarko Plans to Meet Contract Commitments

Enterprise Product Partners declared force majeure April 9 after a pipeline leak shut down offshore natural gas supplies at the Independence Hub. The company which runs the hub, Anadarko Petroleum Group, reports it plans to meet its contract commitments and has no plans to declare force majeure.

Bloomberg, 12:16 April 11, 2008

Update: New York Governor Opposes Broadwater Long Island Sound LNG Project in New York

Shell and TransCanada's joint venture project Broadwater, a proposed floating liquefied natural gas (LNG) processing plant to be located in Long Island Sound, is being opposed by New York Governor David Paterson. The Governor of Connecticut has already come out in opposition of the project. The Broadwater project has a proposed capacity of 1.25 Bcf/d of natural gas. Broadwater reports it will not give up on the proposed terminal and the company can appeal and reportedly is considering its options.

Reuters, 13:18 April 10, 2008

<http://ap.google.com/article/ALeqM5h5x3TdRbmJ1IX2wzurNDgX56PqwgD8VVJ4NOI>

Power Failure Shuts Indian Rock Gas Plant in Texas April 10

According to a filing with state regulators, the plant shutdown due to a power failure from the electric provider.
<http://www2.tceq.state.tx.us/eer/main/index.cfm?fuseaction=getDetails&target=106172>

Blacklock Booster Station in Texas Shut due to Power Outage April 10

According to a filing with state regulators, heavy thunderstorms caused a power dip, shutting down the booster station. All engines have since been placed back online.
<http://www2.tceq.state.tx.us/eer/main/index.cfm?fuseaction=getDetails&target=106149>

Waco Booster Station in Texas Shut due to Power Outage April 10

According to a filing with state regulators, heavy rain, hail and lightning shutdown the booster site. The booster station has since been placed back online.
<http://www2.tceq.state.tx.us/eer/main/index.cfm?fuseaction=getDetails&target=106150>

Three New U.S. LNG Terminals Expect Deliveries Soon

Two new liquefied natural gas terminals located on the Gulf Coast, the Sabine Pass terminal in Louisiana and the Freeport terminal in Texas, along with the Northeast Gateway terminal located offshore Massachusetts, are all expecting to receive their first deliveries in the next week. The openings of the two new terminals on the U.S. Gulf Coast are the first new onshore LNG import terminals in 25 years.
Reuters, 12:26 April 11, 2008

Other News

Federal Subsidies Do Little to Raise U.S. Energy Output – EIA Report

The report concludes that despite a doubling of Federal energy-related subsidies and support between 1999-2007 and an significant increase in energy prices over that period, U.S. energy production has remained virtually unchanged since 1999.
<http://www.eia.doe.gov/oiac/servicerpt/subsidy2/pdf/subsidy08.pdf>

USGS Survey Finds Bakken Formation in North Dakota and Montana to Possess Up to 4.3B Barrels of Oil and Natural Gas

The United States Geological Survey (USGS) recently reevaluated the Bakken Formation and estimates Bakken to possess 3.0 to 4.3 billion barrels of undiscovered and technically recoverable oil and 1.85 Tcf of natural gas. The formation is also estimated to hold 148 million barrels of natural gas liquids.
http://www.rigzone.com/news/article.asp?a_id=60017

Nexen Inc Relocates Workers to Yemen Field Offices Following Explosions April 10

After a series of violent events near its Yemen headquarters, Canadian oil company Nexen is moving some personnel to field offices for safety reasons. The relocation was prompted by an April 6 mortar attack on a complex which houses Americans and other Westerners, and by events that followed on April 10 when an explosion shook the area near the Nexen's Yemen offices and the discovery of a second explosive device which was disarmed also near the Nexen headquarters, no casualties have been reported.
Bloomberg, 18:01 April 10, 2008
Reuters, 18:41 April 10, 2008
http://www.themedialine.org/news/news_detail.asp?NewsID=21178
Bloomberg News, 14:01 April 11, 2008

Energy Prices

| U.S. Oil and Gas Prices | | | |
|--|--------|----------|----------|
| April 11, 2008 | | | |
| | Today | Week Ago | Year Ago |
| CRUDE OIL West Texas Intermediate U.S. \$/Barrel | 109.43 | 105.58 | 61.96 |
| NATURAL GAS Henry Hub \$/Million Btu | 10.18 | 9.68 | 7.97 |

Source: Reuters

Energy Notes

High Winds Knock out Power to 20,299 Wisconsin Public Service Corporation Customers April 11

As of 2:30 PM EST, 515 Customers without power.

http://www.integritygroup.com/news/view_article.cfm?companyID=WPSC&reckey=01589

Copper Wire Theft Leaves 6,000 Volunteer Electric Customers in Tennessee Without Power April 11

<http://www.wrcbtv.com/news/index.cfm?sid=3835>

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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