



ENERGY ASSURANCE DAILY

Tuesday Evening, May 20, 2008

Electricity

Fire Cuts Power to Much of South Huntsville, Alabama May 20

An electrical fire in the pumping room at Huntsville Utilities' south Huntsville water treatment plant triggered a "massive power outage" in south Huntsville, Alabama May 20. It is unclear exactly how many customers were lost. However, as of latest reports, the utility restored power to all affected customers—only the water treatment plant remains without power.

http://blog.al.com/breaking/2008/05/water_treatment_plant_fire_cau.html

Cabrillo Power's 330 MW Encina Gas-fired Unit 5 in California Reduces by May 19

According to the California Independent System Operator, the unit experienced an unplanned curtailment of 200 MW by May 19.

<http://www.caiso.com/unitstatus/data/unitstatus200805191515.html>

AES's 225 MW Huntington Beach Gas-fired Unit 3 in California Shut by May 19

According to the California Independent System Operator, the unit experienced an unplanned outage by May 19.

<http://www.caiso.com/unitstatus/data/unitstatus200805191515.html>

Update: PSEG's 1,092 MW Salem Nuke Unit 2 in New Jersey Ramped Up to 95 Percent May 20

Public Service Enterprise Group (PSEG) halted the unit May 12 after problems with the steam generator flow channels. According to the Nuclear Regulatory Commission, the unit was operating at 85 percent on May 19.

<http://www.reuters.com/article/marketsNews/idUSN1951928420080519>

Information also derived from NRC Power Reactor Status Reports:

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

Update: Dynegy's 335 MW El Segundo Gas-fired Unit 3 in California Returns to Service by May 19

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

<http://www.caiso.com/unitstatus/data/unitstatus200805191515.html>

Update: AES's 179 MW Redondo Gas-fired Unit 5 in California Returns to Service by May 19

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

<http://www.caiso.com/unitstatus/data/unitstatus200805191515.html>

OPG Halts 535 MW Lennox Oil-and-Gas-fired Unit 1 in Ontario May 20

The company idled the unit for short work. Traders expected it back in service within a few days.

Reuters, 09:53 May 20, 2008

Progress Energy Florida Announces 200-mile "Preferred Corridor" for Possible Transmission Lines in Florida

The corridor stretches largely along the path of existing transmission lines in Central Florida. It spans 200 miles, but would require no more than 20 miles of new right of way. The project would include 230-kV and 500-kV lines.

The company expects to begin engineering and design work in 2009, break ground in 2012, and open the lines for service in 2016. The plan still requires regulatory approvals.

<http://www.progress-energy.com/aboutus/news/article.asp?id=18662>

Invenergy Opens 350 MW Gas-fired Cannon Falls Energy Center in Minnesota

Invenergy owns and operates the facility, according to a May 19 press release.

<http://www.prnewswire.com/>

We Energies' 145 MW Blue Sky Green Field Wind Farm in Wisconsin Begins Commercial Operations May 19

The 10,600-acre facility consists of 88 1.65 MW turbines. Construction began in June, 2007.

http://wecnews.wisconsinenergy.com/news/newsrel/pages/newsrelease_122

Update: Navasota Energy to Boost Output at Gas-fired Power Plants in Texas

Navasota Energy began output of 275 MW in April 2007 at two facilities: the Colorado Bend Energy Center and the Quail Run Energy Center. The company has already boosted output at Quail Run by 275 MW, to 550 MW, and expects to add 275 MW to Colorado Bend (raising its total to 550 MW) next month. The company is planning a third 275 MW expansion, which would raise each facility's output to 825 MW. Work on that upgrade could commence this summer, and finish in 2010, a Navasota official said.

Reuters, 18:24 May 19, 2008

Petroleum

Update: Bush Signs Bill to Halt Additions to Strategic Petroleum Reserve May 19

President Bush signed the Bill, H.R. 6022, the "Strategic Petroleum Reserve Fill Suspension and Consumer Protection Act of 2008," despite suggestions that he did not think it would help relieve rising fuel prices. The Senate and House voted overwhelmingly to approve the bill last week: the Senate by a total of 97-1, and the House 385-25. By those margins, Congress could likely have overridden a presidential veto. On May 16, prior to the bill's enactment, Bush stalled deliveries to the reserve through 2008.

<http://apnews.myway.com/article/20080519/D90OVVJ81.html>

<http://www.whitehouse.gov/news/releases/2008/05/20080519-6.html>

BLM-Alaska to Open Land for Leasing in Northeast Alaskan National Petroleum Reserve

The Bureau of Land Management (BLM) announced that it would open land for leasing in the Northeast portion of the National Petroleum Reserve in Alaska. If developed, the land could contain nearly 3 billion barrels of oil. BLM will not open some 219,000 acres on Teshekpuk Lake and its islands, and will defer leasing for 10 years on 430,000 acres adjacent to the lake.

http://www.blm.gov/wo/st/en/info/newsroom/2008/may_08/NR_080516.html

Natural Gas

Excalibur Energy Plans 2.4 Bcf/d LNG Regasification Project Offshore New Jersey

The "Liberty Natural Gas" project would include a liquefied natural gas (LNG) regasification facility, located fifteen miles offshore New Jersey, fifty miles of offshore natural gas pipeline, and eleven miles of onshore pipeline.

Pending regulatory approvals, the project would deliver up to 2.4 billion cubic feet per day (Bcf/d) of natural gas by late 2011. Excalibur Energy is a 50/50 joint venture between Canadian Superior Energy Inc. and Global LNG Inc.

http://cnrp.ccnmatthews.com/client/canadian_superior_energy/release.jsp?actionFor=858611

Williston Basin Plans 100 MMcf/d, 16-inch, 100-mile Bakken Natural Gas Pipeline from North Dakota and Montana

The pipeline would connect the Bakken Formation in North Dakota and Montana to Alliance Pipeline. It would have an initial capacity of about 100 million cubic feet per day (MMcf/d), but would be expandable later to 200 MMcf/d. Pending shipper commitment and regulatory approvals, the company expects the project to enter service in mid-2010. The United States Geological Survey previously estimated the Bakken Formation held 1.85 trillion cubic feet of natural gas.

http://www.mdu.com/information_news/news_articles/news186.html

<http://intelligencepress.com/>

http://www.rigzone.com/news/article.asp?a_id=60017

Update: Sempra Energy's Proposed 17 Bcf Liberty Gas Storage Project in Louisiana to Be Set for Injections this Summer

Citing construction issues, the company had previously postponed the project's start date indefinitely. On May 16, however, a company spokesperson said the facility would be prepared for injections in late summer, 2008.

<http://intelligencepress.com/>

Update: Texas Eastern Transmission Holds Open Season for Proposed 120 MMcf/d TIME III Natural Gas Pipeline Expansion Project in Pennsylvania

The project would boost natural gas throughput from Oakford, Pennsylvania to Station 195 on the Transco Pipeline system in York County, Pennsylvania. The expansion will help link Northeast U.S. consumers to Rocky Mountain gas suppliers. The company is holding an open season for the project through May 30 at 5 PM. Texas Eastern Transmission is a subsidiary of Spectra Energy.

http://www.spectraenergy.com/news/releases/2008/May/20080519_01.asp

Other News

VeraSun Eyes Late June Start Date for 110 Million/Gallon Year Ethanol Plant in South Dakota

Bloomberg News, 17:48 May 19, 2008

Update: Kinder Morgan Plans September Test of 104-mile Ethanol Pipeline in Florida—If Successful, Company Would Begin Commercial Operations Later in 2008

http://www.downstreamtoday.com/News/Articles/200805/Fla_Readies_for_First_US_Ethanol_Pipeli_10912.aspx

Energy Prices

U.S. Oil and Gas Prices			
May 20, 2008			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	128.93	125.82	65.05
\$/Barrel			
NATURAL GAS			
Henry Hub	11.10	11.38	7.69
\$/Million Btu			

Source: Reuters

Energy Notes

Update: NRC Issues Positive Report for AmerenUE's 1,125 MW Callaway Nuclear Power Plant in Missouri

<http://www.columbiatribune.com/2008/May/20080518News002.asp>

Citing March, 2008 Equipment Failures, NRC Says Southern's 1,764 MW Farley Nuclear Power Plant in Alabama Faces Possible Safety Downgrade—Facility is Already at a "Degraded" Safety Rating

http://www.ajc.com/business/content/business/stories/2008/05/16/Southern_0517.html

Update: Kansas Governor Vetoes Two Bills, Continues Opposition to Sunflower Electric Power's Proposed 1,400 MW Coal-fired power Plant in Kansas

<http://www.platts.com/Electric%20Power/News/6882662.xml?p=Electric%20Power/News&sub=Electric%20Power>

Power Loss, Flaring at South Mojo Booster Station in Texas May 19

<http://www2.tceq.state.tx.us/ee/main/index.cfm?fuseaction=getDetails&target=107918>

**SRU Upset Triggers Flaring at Valero's 146,000 b/d Corpus Christi, Texas Refinery
May 20**

Bloomberg News, 13:36 May 20, 2008

**Update: Sonora Pipeline Requests FERC Approval for Two-Year Time Extension to Finish
Proposed Natural Gas Pipeline at U.S.-Mexico Border**

<http://intelligencepress.com/>

**Update: U.S. Court of Appeals Says Only Federal Government Has Authority to Establish
LNG Plant Sites—Court's Decision Overturns Baltimore County's Ban on LNG Facilities,
and Boosts AES Corp's Bid for Sparrows Point, Maryland LNG Project**

http://www.examiner.com/a-1399639~Court_strikes_down_LNG_barrier.html

http://www.baltimoresun.com/news/local/baltimore_county/bal-Ing0519.0.3395544.story

**Update: Dock Workers' Protest Turns Violent in France as Unrest Continues at French Oil
Ports May 20—Strikes Stall 13 Oil Tankers at Fos-Lavera Oil Port**

Reuters, 08:03 May 20, 2009

<http://www.iht.com/articles/ap/2008/05/20/business/EU-GEN-France-Port-Protests.php>

**Eni Plans First Production from Republic of Congo's Tar Sands by 2011
May Contain Billions of Barrels of Crude**

Reuters, 06:27 May 20, 2008

**Kuwait Postpones Project to Upgrade Oil Export Facilities—Eight-Month Delay Pushes
Planned Service Date to March, 2009—Expansion Will Boost Kuwait's Crude Export
Capacity to 3.4 Million b/d, Beyond its Current Output Levels**

Reuters, 08:28 May 20, 2008

**Iraq May Boost Kirkuk Crude Exports from Turkey's Ceyhan Port by 125,000 b/d, to a
Total of 600,000 b/d, in June, 2008**

Bloomberg News, 04:33 May 20, 2008

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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