



ENERGY ASSURANCE DAILY

Tuesday, June 26, 2007

Major Development

ConocoPhillips, ExxonMobil to Leave Venezuelan Heavy Oil Projects

US Energy Secretary Bodman Expresses Concern

According to the latest information available, both ConocoPhillips and ExxonMobil did not come to an agreement with the Venezuelan government to cede majority control of their heavy oil projects in the Orinoco Belt. Consequently, both companies will cede their entire interest in the projects to the Venezuelan state oil company Petroleos de Venezuela SA (PdVSA). In an interview with reporters, U.S. Secretary of Energy Samuel Bodman said he was concerned about the situation. There are four heavy oil projects in the Orinoco Belt that produce 580,000 b/d. Other international companies, including Chevron, BP, Statoil, and Total, have reportedly reached agreements with Venezuela and will remain active in the country.

Reuters 14:00 June 26, 2007

Reuters 12:25 June 26, 2007

Bloomberg News, 12:29 June 26, 2007

http://www.energyintel.com/PublicationHomePage.asp?publication_id=5

<http://www.platts.com/Oil/News/6395802.xml?p=Oil/News&sub=Oil>

<http://www.thestreet.com/newsanalysis/energy/10364847.html>

Electricity

Court Orders BPA to Operate Dams With Salmon Safeguards at All Times

A U.S. District Court has ordered the Bonneville Power Authority to operate its dams with full safeguards to protect endangered salmon, regardless of BPA's commitments to sell electricity to customers. The order came about when the judge learned of an incident that occurred in April when BPA failed to curtail power production to protect salmon. Judge James Redden oversees a case involving BPA and its relationship to the federally protected salmon. Judge Redden's warning was unequivocal, "Under the circumstances here, threatened and endangered species must come before power generation."

<http://www.kgw.com/sharedcontent/APStories/stories/D8PVDNO00.html>

Ontario Power Grid Operator Asks Greater Toronto Customers to Conserve Power Due to High Temperatures and Humidity

To reduce strain on the system from increased air conditioning use, customers were asked to reduce their use of electricity during daylight hours until June 27. In addition, some generation and transmission outages, including the ongoing shutdown for maintenance of three units at the Pickering nuclear power plant, were limiting the amount of power available to the Toronto area.

Reuters, 12:00 June 26, 2007

OPG's 494 MW Lambton 2 Coal-fired Unit in Ontario Returns to Service June 26

The unit was shut on June 22, restarted on June 25, shut again later on June 25, and then restarted again by early this morning.

Reuters, 10:58 June 26, 2007

AEP's 1,300 MW Gavin Coal-fired Unit in Ohio Shut June 25

Reuters, 08:08 June 26, 2007

Update: FirstEnergy's 1,235 MW Perry Nuke Unit in Ohio Up to 60 Percent June 26

Reuters, 07:22 June 26, 2007

Update: Dominion's 568 MW Kewaunee Nuke Unit in Wisconsin Returns to Full Power June 26

According to a regulatory report, the reactor was listed at 100 percent of capacity this morning after operating at 45 percent yesterday.

Bloomberg News, 12:24 June 26, 2007

Update: Calpine's 811 MW Delta Natural Gas-fired Unit in California Returns to Full Power of June 25

Reuters, 07:49 June 26, 2007

CDWR's 207 MW San Luis Hydro Unit in California Shut June 25

Reuters, 08:08 June 26, 2007

Calpine's 250 MW Calgary Gas-fired Unit in Alberta Shut June 25

Reuters, 08:08 June 26, 2007

Petroleum

FCC Unit to Run During Repairs at Alon's 70,000 b/d Big Spring Refinery in Texas

In a report to state regulators, the company announced that it would operate the FCC unit while making repairs to a leaking unit boiler. The repairs to the leaking tubes on the carbon dioxide boiler were scheduled to begin on June 25 and are expected to be completed on June 29.

Reuters, 16:07 June 25, 2007

Brief Power Glitch Closes Units at Delek's 58,000 b/d Tyler Refinery in Texas June 25

In a report to state regulators, Delek U.S. Holdings said that a brief power interruption shut two sulfur recovery units and a SCOT unit at its Tyler refinery in Texas on Monday. The units were stabilized and returned to service, the event began during the afternoon and ended by approximately 8 a.m. on Tuesday.

Reuters, 14:14 June 26, 2007

Western Refining Reports Plugged Unit at 116,000 b/d El Paso Refinery in Texas June 25

The company reported a plugged sulfur recovery unit absorber at its El Paso refinery, according to a state-administered Web site.

Bloomberg News, 10:23 June 26, 2007

Tesoro Reports 5,000 Barrels of Oil Spilled at its 98,500 b/d Refinery in California June 22

Five thousand barrels of crude oil spilled after a 12-inch pipeline ruptured. The spill was contained within a soil berm in the refinery as well as on a concrete pad, according to a report on the California Governor's Office of Emergency Services Web site. The pipe has been repaired.

Bloomberg News, 18:04 June 25, 2007

Leak in Tank Found at ConocoPhillips' 139,000 b/d Refinery in California June 25

According to a report on a state-administered web site, the leak caused sulfuric acid to be released from the tank into a secondary containment, which had a crack, and the chemical seeped into the ground. The refinery is producing at normal levels, according to company spokesman.

Bloomberg News, 12:04 June 26, 2007

Update: Dock at Valero's Krotz Springs Refinery in Louisiana Remains Shut

According to a U.S. Coast Guard official, one dock at the refinery is likely to remain closed until next week as salvage work continues on two boats that sank after colliding. A company representative indicated that operations were unaffected at the 80,000 b/d refinery.

Reuters, 16:48 June 25, 2007

Shell Reports Repairs Needed before Restart of Forcados Nigerian Production Possible

A Shell executive indicated that the company must undertake repairs before the Forcados field can be restarted. Militant attacks have shut approximately 25 percent of Nigerian production. Shell declined to set a date for the restart indicating that local support for the effort was needed.

Reuters, 05:34 June 26, 2007

Natural Gas

Nothing to report.

Other News

NRC Adopts Measures Designed to Shrink Time for New Nuke Plant Applications

The Nuclear Regulatory Commission (NRC) has adopted a series of regulations aimed at reducing the review and process time of applications for new nuclear plants from an estimated 42 months (30 months for the technical and environmental review, and 12 months for the hearing process) by between six and 15 months.

<http://www.platts.com/Nuclear/News/7462116.xml?p=Nuclear/News&sub=Nuclear>

PRB Coal Shipments Fail to Increase in June Compared to Year Ago Levels

Despite spare capacity on trains, coal shipments from Powder River Basin coal mines have not improved from the levels attained last year when the railroads were striving to recover from a number of infrastructure problems that had a negative impact on the volume of coal shipped from the region. At this time, the issues facing the railroads last year have largely been resolved and there is some spare capacity. However, some producing companies have expressed the view that production levels are sufficient because of large stockpiles of coal on hand at power plants; and further, because current coal prices do not justify increasing production at this time.

<http://www.platts.com/Coal/News/6395832.xml?p=Coal/News&sub=Coal>

Energy Prices

U.S. Oil and Gas Prices			
June 26, 2007			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	67.78	69.28	71.65
NATURAL GAS Henry Hub \$/Million Btu	6.85	7.46	5.89

Source: Reuters

Energy Notes

24,000 PG&E Customers Briefly Lose Power in San Francisco June 25

<http://sfgate.com/cgi-bin/article.cgi?f=/c/a/2007/06/25/BAG2RQLNAS4.DTL>

Curious Squirrel Causes 10,000 Customers to Lose Power in Albany, Georgia June 25

<http://www.albanyherald.com/stories/20070626n3.htm>

Texas Commission Investigating Reports of Leaking Natural Gas Pipeline in Two West Texas Counties

<http://www.chron.com/dispatch/story.mpl/ap/tx/4917606.html>

Consortium of Energy and Energy Technology Companies to Build CO2 Pipeline for Enhanced Oil and Gas Recovery in Mississippi

<http://www.earthtimes.org/articles/show/76314.html>

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

Energy Assurance Daily provides a summary of public information concerning current energy issues. Published Monday through Friday to inform stakeholders of developments affecting energy systems, flows, and markets, it provides highlights of energy issues rather than a comprehensive coverage. *Energy Assurance Daily* is updated online Monday through Friday after 5:00 p.m. EST. For more information, visit the Infrastructure Security and Energy Restoration (ISER) website at:

<http://www.oe.netl.doe.gov/index.aspx>.

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