



ENERGY ASSURANCE DAILY

Thursday, June 28, 2007

Major Developments

Manitoba Tornadoes Cut Crude Shipments on Enbridge's 730,000 b/d Line 4 to U.S. Midwest for Four Days

A company spokeswoman said on June 28 that a series of tornadoes in Manitoba last week cut power to parts of its biggest crude oil pipeline, reducing shipments on the line for four days from June 22 to June 26. Power was restored on June 26. The spokeswoman did not say how much volume was affected but said that throughput on Line 4 would be raised to make up for the shortfall. Line 4 carries heavy crude oil 990 miles from Hardisty, Alberta to Superior, Wisconsin where it interconnects with the Lakehead pipeline system, which supplies refineries in the U.S. Midwest. Reuters, 15:41 June 28, 2007

Electricity

Update: Con Edison Releases Statement on June 27 Transmission Disturbance

The first portion of the statement reads: "Con Edison continues to investigate the cause of Wednesday's transmission disturbance, which interrupted service to 136,700 customers (approximately 385,000 people) in the southwest Bronx and sections of the Upper East Side of Manhattan. The company is examining data and equipment to help determine what caused the outage. In addition, engineers are examining possible links between the outage and lightning strikes in the area. It appears that there were several strikes near a transmission substation in Queens at, or near, the time of the event. Con Edison's initial findings show that the event occurred quickly -- in less than 10 seconds -- and involved multiple transmission lines. Protective devices operated quickly to isolate the trouble area from the rest of the system, thus preventing equipment damage and additional service impact. These devices also enabled the rapid restoration of electrical service. The outage affected two electrical networks. The company's transmission and distribution systems are designed to protect themselves from damage during such disturbances. These systems performed as designed; the outage did not spread to other areas."

http://www.coned.com/newsroom/news/pr20070628_3.asp

Con Edison Working to Restore Power to 29,000 Customers in Westchester County and Queens, New York Affected by Storm on June 27

By late morning on June 28, Con Edison crews were continuing to restore power to homes and businesses affected by Wednesday's severe thunderstorms, which knocked out electrical service to approximately 18,000 customers in Westchester County and 11,000 customers in Queens. About 14,000 customers in Westchester have been restored so far. The company estimates that power will be returned to the majority of the 4,000 remaining Westchester customers by late today. For Queens, the company has restored about 9,000 customers and estimates that power will be restored to the majority of the remaining 2,000 customers tonight.

http://www.coned.com/newsroom/news/pr20070628_2.asp

Severe Storms Knock Out Power to 51,000 DTE Customers in Michigan June 27

<http://www.detnews.com/apps/pbcs.dll/article?AID=/20070628/METRO/706280387/1003>

Lightening Shuts Exelon's 1,178 MW Braidwood Nuke Unit in Illinois June 27

According to a spokeswoman for the plant, the unit shut Wednesday likely due to a lightning strike on a power line. She said the company was still investigating the cause of the outage but noted there was no damage to plant equipment. She could not say when the unit would return to service.

Reuters, 12:53 June 28, 2007

First Energy's 1,235 MW Perry Nuke Unit in Ohio Reduced to 55 Percent June 28

The unit was reduced to about 55 percent of capacity so that workers can trouble shoot a motor on the recirculation system. A spokesman for the company could not say whether they would be able to fix the problem while continuing to operate at reduced load or whether they needed to shut the reactor to fix the problem.

Reuters 12:30 June 28, 2007

TXU's 750 MW Martin Lake Coal-fired Unit 3 in Texas Shut June 27

The company shut the unit to fix a boiler tube leak.

Reuters, 10:48 June 28, 2007

Complete's 260 MW La Paloma Gas-fired Unit 1 in California Raises Output June 27

The unit, producing 160 MW, had been shut on June 26.

Bloomberg News, 19:36 June 28, 2007

AES's 245 MW Redondo Gas-fired Unit 8 in California Shut June 27

Reuters, 08:49 June 28, 2007

InterGen's 322 MW La Rosita Gas-fired Unit 2 in Mexico Shut June 27

The unit was shut for unplanned reasons.

Reuters, 08:49 June 28, 2007

LIPA/Neptune Activate New 660 MW New Jersey-Long Island Undersea Electric Transmission Line June 28

The Long Island Power Authority (LIPA) and Neptune Regional Transmission System, LLC today announced that the Neptune electric transmission cable between New Jersey and Long Island has completed testing and has been in trial operations under the control of the LIPA during this week's heat wave. The 65-mile long Neptune Regional Transmission System is an undersea and underground High Voltage Direct Current (HVDC) system that includes a cable that runs from Sayreville, New Jersey to New Cassel in the Town of North Hempstead in Nassau County.

http://www.lipower.org/newscenter/pr/2007/062807_neptune.html

NRC to Increase Oversight of OPPD's 478 MW Fort Calhoun Nuke Unit in Nebraska

The US Nuclear Regulatory Commission (NRC) will increase its oversight of Omaha Public Power District's (OPPD) plant following an inspection in which the commission determined that a valve in the reactor's containment spray system was improperly installed, degrading the condition of a safety system for well over a year.

<http://www.platts.com/Nuclear/News/8130814.xml?p=Nuclear/News&sub=Nuclear>

U.S. DOE Releases Report Establishing Baseline Estimates for Fossil Energy Plants

The report, *Cost and Performance Baseline of Fossil Energy Plants*, provides a comprehensive set of data comparing on a consistent basis cost and performance across different types of plants and fuels. The report was prepared by the Office of Fossil Energy's National Energy Technology Laboratory (NETL), and was compiled from published reports. Utilities, researchers, and regulatory agencies can use the report as a starting point for research, understanding the prospects for the future, or considering the options available.

To view the full report click on the following link:

http://www.fossil.energy.gov/news/techlines/2007/07057-DOE_Issues_Plant_Performance_Repor.html

Petroleum

Update: Hydrocracker Remains Shut at ExxonMobil's 562,500 b/d Baytown, Texas Refinery June 28

A spokeswoman for the company said that the 26,000 Hyrdocracker 1 was still down for repairs but other units were unaffected by the shutdown. According to a filing with Texas regulators, the unit shutdown on June 23 to repair an exchanger leak and was supposed to restart on June 25 with minimal impact on production.

<http://www2.tceq.state.tx.us/ee/main/index.cfm?fuseaction=getDetails&target=93064>

Reuters, 11:20 June 28, 2007

Update: Crude Runs at Valero's 171,000 McKee Refinery in Texas Ramping Up

A company official told OPIS that the refinery was ramping up crude runs and would be running at 150,000 b/d by the end of June.

OPIS Price Watch Alert, 1:11 June 28, 2007

Update: FCCU Restarted at Murphy Oil's 120,000 b/d Meraux, Louisiana Refinery

Market sources have informed OPIS that the fluidic catalytic cracking unit (FCCU) was restarted this week. Last week, traders told Reuters that Murphy Oil was attempting to restart the FCCU after shutting a week earlier for unplanned maintenance.

OPIS Price Watch Alert, 01:48 June 28, 2007

Reuters, 09:52 June 20, 2007

Update: Crude Unit Restart Delayed at BP's 410,000 b/d Whiting, Indiana Refinery

A source familiar with the refinery has informed Reuters that the first of two downed crude distillation units (CDUs) will not restart at the end of June or early July as originally planned, but will instead restart in two to three weeks.

According to the source, the second CDU is still on track to restart in late summer.

Reuters, 11:46 June 28, 2007

Chevron's Tahiti Project in Gulf of Mexico Delayed

The project, scheduled for completion in mid-2008, has been delayed due to the discovery of metallurgical problems in the facility's mooring shackles. Major components of the project are almost completed, and work on their installation is expected to continue once timing for new shackles is determined. Tahiti's peak production is expected to be 125,000 b/d of oil and 70 MMcf/d of natural gas.

<http://biz.yahoo.com/prnews/070628/aqth025.html?.v=19>

<http://intelligencepress.com/>

Petro-Canada to Stagger Start-Up of Fort Hills Oil Sands Project in Alberta

The company intends to keep high construction costs for its Fort Hills oil sands project in check by starting up the mine component and upgrader component of the project at different times. The company aims to start selling 160,000 b/d of raw bitumen from the Fort Hills mine in late 2011 and complete the plant that will upgrade the bitumen into synthetic crude oil half a year later. The staggered approach is aimed at preventing the two parts from competing with each other for skilled workers.

Reuters, 12:14 June 28, 2007

Update: Shell Won't Return to Western Delta Region of Nigeria This Year

The company said that it won't return to the western delta region of Nigeria this year because of continuing militant violence. Since February 2006, Shell has lost an average of 477,000 b/d due to attacks. The company says that it won't return to the region until it is safe for staff and inspections are complete. On June 10, Shell CEO Jeroen van der Veer said that he assumes that "no major production" will come back online in Nigeria this year.

Bloomberg News, 07:44 June 28, 2007

Natural Gas

Corridor's McCully Gas Field in Canada Begins Producing 35 MMcf/d

The gas field began pumping into the Maritimes & Northeast Pipeline (M&NP) for delivery in Canada and the northeastern United States. This is the first export of gas from an onshore site in Atlantic Canada to New England.

NGI's Daily Gas Price Index June 28, 2007

<http://www.cbc.ca/canada/new-brunswick/story/2007/06/27/nb-mccullyfield.html>

Other News

Clean Up and Repairs Nearing Completion Following Coal Train Derailment June 26

On June 27, Union Pacific Railroad Co. was nearing completion of a clean up a coal spill and finishing repairs to damaged sections of its mainline track in central Iowa following a two-train collision on June 26. A locomotive and 42 cars of an eastbound 138-car coal train slipped the rails, clipping a westbound freight train moving in the opposite direction on the double-track section of the line. The damage forced traffic to be diverted to other tracks. One of the damaged tracks reopened June 27, and the other was expected to open later the same day. The cause of the accident is under investigation.

<http://desmoinesregister.com/apps/pbcs.dll/article?AID=/2007>

<http://www.timesrepublican.com/News/articles.asp?articleID=10839>

<http://www.chron.com/disp/story.mpl/ap/fn/4925986.html>

http://www.kgan.com/template/inews_wire/wires.regional.ia/3b640009-www.kgan.com.shtml

US Coal Market Facing Cost Challenges

According to industry executives, the coal market faces three major challenges: new regulations such as the emergency seal rule issued by the Mine Safety and Health Administration which are costly to implement; the combination of a dwindling population in Central Appalachia and workers reaching retirement age; and rising costs of raw materials.

<http://www.platts.com/Coal/News/6396589.xml?sub=Coal&p=Coal/News&?undefined&undefined>

Energy Prices

U.S. Oil and Gas Prices			
June 28, 2007			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	69.87	67.89	72.15
NATURAL GAS Henry Hub \$/Million Btu	6.74	7.24	6.04

Source: Reuters

Energy Notes

Federal and Provincial Canadian Governments Approve LNG Terminal and Pipe Network in Quebec

<http://www.thestar.com/Business/article/230158>

NRC Revises Measure for Monitoring Reactor Performance During Unplanned Shutdowns

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=8505501

Exelon to Seek Federal Licensee to Build New Nuclear Power Plant in Southeast Texas

Reuters, 15:42 June 28, 2007

Horizon Wind's 225-275 MW Rattlesnake Road Wind Project Qualifies for Expedited State Review

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=8505602

US DOE to Provide Nearly \$52 Million for R&D Projects for US Electricity Transmission System

<http://www.platts.com/Electric%20Power/News/6396283.xml?p=Electric%20Power/News&sub=Electric%20Power>

Canadian Gas Available for Export to US Expected to Decline; Gas Consumption by Oil Sands Producers Being Blamed

NGI's Daily Gas Price Index, June 28, 2007

Cobblestone Financial Group to Provide Full Funding for AEH's Proposed Idaho Energy Complex

http://biz.yahoo.com/ap/070628/id_nuclear_power.html?.v=1

China Petrochemical Corp. Seeking "Heavy Oil" Projects in Venezuela After Exxon, Conoco Quit

Bloomberg News, 05:19 June 28, 2007

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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