



ENERGY ASSURANCE DAILY

Monday Evening, July 07, 2008

Major Developments

Update: Workers Reopen Mississippi River—Commercial Traffic Restricted to Daylight Hours as of July 5

The Mississippi River reopened to traffic on Saturday morning, July 5, after a month-long shutdown. Water levels, though significantly lowered, remained above flood levels as workers reopened Lock 25 near Winfield, Missouri. (The Kaskaskia Lock near Chester, Illinois, remained shut on July 5, but that only affects river traffic in and out of the Kaskaskia River.) Kansas City Southern railroad expected taller Mississippi River traffic to remain affected until later July 5 as it completed repairs to a damaged drawbridge upstream from St. Louis. In 2007 on average about 11,000 tons of coal moved into each Mississippi River lock on barges every day. That is about 7 new barges every day. About 1,300 tons of petroleum products moved into each lock of the Mississippi River on barges every day. That is about 1 new barge every day. Ethanol barges were also held up during the Mississippi River closing. Reuters, 13:46 July 5, 2008

<http://www.saukvalley.com/articles/2008/07/06/news/state/bedcb0ea41e625786e82f68fe1d8cf6c.txt>

<http://www.mvr.usace.army.mil/PublicAffairsOffice/MidwestFlooding2008/Mississippi%20River%20-%20Complete.pdf>

<http://www.mvr.usace.army.mil/PublicAffairsOffice/MidwestFlooding2008/Graphics/Barge%20-%20Truck%20-%20Rail%20Comparisons.pdf>

<http://www.mvr.usace.army.mil/PublicAffairsOffice/MidwestFlooding2008/FloodLockInformation.htm>

<http://www.mvs.usace.army.mil/floodfight/Status.html>

Electricity

Update: Fire Surrounds Substation, Knocks Out Power to 40,000 SCE Customers in California July 3

Firefighters evacuated a Southern California Edison (SCE) substation after fire surrounded the facility. The incident resulted in a brief power outage, impacting 40,000 SCE customers. Earlier, thick smoke and ash shut multiple 220 kV transmission lines, cutting power to 81,000 customers. Earlier reports of 150,000 affected customers were inaccurate, according to a Southern California Edison (SCE) spokeswoman.

<http://www.lompocrecord.com/articles/2008/07/05/news/featurednews/news01.txt>

http://www.modbee.com/state_wire/story/348681.html

AES's 496 MW Redondo Gas-fired Unit 8 in California Shut by July 6

According to the California Independent System Operator, the unit experienced an unplanned outage by July 6.

<http://www.caiso.com/unitstatus/data/unitstatus200807061515.html>

Energy Northwest's 1,150 MW Columbia Nuke Unit in Washington Ramped Up to 100 Percent by July 6

The company slows the unit to 85 percent at night, when demand decreases. It ramps the unit up to 100 percent in times of higher demand. The Nuclear Regulatory Commission reported that on the morning of July 5 the unit was operating at 75 percent.

Bloomberg News, 16:17 July 7, 2008

Information also derived from the NRC Power Reactor Status Reports:

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

PPL's 1,105 MW Susquehanna Nuke Unit 1 in Pennsylvania Ramped Up to 94 Percent by July 6

The Nuclear Regulatory Commission reported that on the morning of July 5 the unit was operating at 75 percent. Information derived from the NRC Power Reactor Status Reports:

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

Update: Southern's 876 MW Hatch Nuke Unit 1 in Georgia Ramps Up to 3 Percent by July 7

The unit shut automatically on July 4 after a turbine trip.

Reuters, 07:53 July 7, 2008

Information also derived from the NRC Power Reactor Status Reports:

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

Update: Entergy's 858 MW Arkansas Nuclear Unit 2 in Arkansas Ramped Up to 92 Percent by July 5

The company slowed the unit last Thursday, July 3, to repair a tube leak related to the feedwater heater. The Nuclear Regulatory Commission reported that on the morning of July 4 the unit was operating at 50 percent.

Reuters, 07:43 July 7, 2008

Information also derived from the NRC Power Reactor Status Reports:

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

Update: Luminant to Restart 569 MW Sandow Coal-fired Unit 4 in Texas July 7

The company shut the unit on June 27 to fix a boiler.

Bloomberg, 11:20 July 7, 2008

POWEREX's 428 MW Dynamic Resource Unit in California Returns to Service by July 5

According to the California Independent System Operator, the unit experienced an unplanned curtailment of 331 MW by July 4.

<http://www.caiso.com/unitstatus/data/unitstatus200807051515.html>

TransAlta's 399 MW Sundance Coal-fired Unit 6 in Alberta Shut July 7

Reuters, 8:59 July 7, 2008

Enmax's 250 MW Calgary Gas-fired Unit in Alberta Shut July 5

Reuters, 8:59 July 7, 2008

Update: OPG Restarts 490 MW Nanticoke Coal-fired Unit 2 in Ontario July 6

The company shut the unit for boiler work by June 30, based on multiple sources.

Reuters, 08:51 July 7, 2008

Bloomberg News, 13:20 July 7, 2008

OPG Restarts 490 MW Nanticoke Coal-fired Unit 4 in Ontario July 6

Workers shut the unit for tube leak repairs over the weekend, according to a company spokesman.

TVA Plans Uprates at Browns Ferry Nuclear Power Plant in Alabama Boost Would Total About 525 MW

The Tennessee Valley Authority (TVA) plans to boost output by 15 percent at each of three units at its Browns Ferry nuclear power station in Alabama. Based on reported capacities, that would amount to 173 MW boosts at Units 1 and 2, and a 179 MW increase at Unit 3. Browns Ferry consists of the 1,152 MW Unit 1, the 1,152 MW Unit 2, and the 1,190 MW Unit 3. TVA has already submitted uprate plans to the Nuclear Regulatory Commission (NRC).

<http://www.tennessean.com/apps/pbcs.dll/article?AID=/20080703/NEWS02/807030362/1009/NEWS01>

http://www.upi.com/Top_News/2008/07/03/TVA_seeks_power_hike_at_Alabama_nuke_plant/UPI-16241215110571/

BPA Reduces Hydropower Output as Heavy Winds Trigger Power Spike in Oregon

June 30

The Bonneville Power Administration (BPA) reduced hydroelectric output and ordered wind operators to unload surplus power, as unusually-heavy winds led to a surge in wind-generated power. BPA had to spill more water over dams, potentially endangering nearby fish. Though the incident did not cause significant harm, BPA said it revealed gaps in its emergency-handling procedures. Officials were unable to contact several wind farm operators, and poor communication resulted in another utility not understanding BPA's orders. A BPA official called the event "a wake-up call."

<http://www.oregonlive.com/news/oregonian/index.ssf?/base/news/1215226547277170.xml&coll=7>

Petroleum

Oil Companies Explore Offshore Florida as Crude Prices Soar

Companies are searching for oil and gas offshore Florida, as rising crude prices make once-unfeasible sites economical for exploration. Under a 2006 Congressional deal, some 8.3 million acres offshore Florida are open for drilling. Companies do not expect to begin production at any sites for several years. Political support for offshore drilling elsewhere is mixed; 574 million offshore acres are currently banned. The Interior Department estimates those territories could yield 18 billion barrels of oil and 77 trillion cubic feet of natural gas.

http://ap.google.com/article/ALeqM5iAmaMKv9dF1vMEghI_Y9HKQruRnAD91NIT680

Pembina Completes 250,000 b/d Horizon Oil Pipeline in Canada July 1

The pipeline will serve Canadian Natural Resources Limited's Horizon Oil Sands Project. Construction began in November, 2006, and was largely completed on schedule, July 1.

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

Update: BHP Billiton Begins Production at Neptune O&G Facility in Gulf of Mexico

BHP Billiton twice pushed back Neptune's planned start date. The company originally expected to begin production in late 2007. It delayed its more-recent March, 2008 target, citing structural deficiencies. Now online, Neptune will produce up to 50,000 b/d of oil and 50 MMcf/d of natural gas. It will deliver crude through the Caesar pipeline, and natural gas along the Cleopatra pipeline.

http://www.rigzone.com/news/article.asp?a_id=63798

<http://www.platts.com/Oil/News/8859292.xml?p=Oil/News&sub=Oil>

Pemex Slashes Oil Supply to Texas Refineries amid Lagging Mexican Production Cuts Mark a Decline of More than 40,000 b/d in Planned Shipments

Petroleos Mexicanos (Pemex) cut planned shipments to the 340,000 b/d Deer Park, Texas refinery—jointly-operated by Shell and Pemex—and to Valero's 289,000 b/d Port Arthur, Texas refinery. The new agreements come as Mexico's crude output lags below prior levels, most notably from its aging Cantarell field

Bloomberg News, 16:47 July 7, 2008

Natural Gas

Update: Nautilus Pipeline Company Lifts Force Majeure Along 600 MMcf/d Nautilus Pipeline Offshore Louisiana July 8

Nautilus shut the pipeline, "due to an excessive amount of liquids being handled at the slug catcher," effective 9:00 am July 2. The company "resolved the liquids issue," and lifted the force majeure, effective July 8 at 9:00 AM.

<http://www.enbridgeus.com/Main.aspx?id=557&tmi=220&tmt=4>

<http://www.enbridgeus.com/Reports/reportrem.aspx?pl=1&rptSite=1&rpt=%2fnotice%2fFinalReview.asp%3fcode%3dnaut2008184.95515&tmi=893&tmt=5>

“Gas OPEC” in Doubt after Iranian/Russian Rejections

Iran and Russia rebuffed plans for a “Gas OPEC,” casting doubt on the potential for a gas-producers organization similar to the Organization of Petroleum Exporting Countries (OPEC). The United States and the European Union had earlier voiced resistance to the plans. Iran, the plan’s original proponent, backed off its proposal at the World Petroleum Congress in Madrid, saying “Gas OPEC” was never meant to mirror the existing “OPEC.” “It was not supposed to be any organization of that sort,” Iran’s Petroleum Minister said, “It was supposed to be a forum for different exporting countries to cooperate.”

http://news.xinhuanet.com/english/2008-07/03/content_8478568.htm

Other News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices			
July 7, 2008			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	141.09	141.05	72.67
NATURAL GAS Henry Hub \$/Million Btu	13.00	13.10	6.15

Source: Reuters

Energy Notes

Storms Cut Power to 20,000 Duke Energy Customers in North Carolina July 4

<http://www.tradingmarkets.com/.site/news/Stock%20News/1737222/>

Storms Cut Power to 20,000 Georgia Power Customers in Georgia July 5

<http://www.wsav.com/midatlantic/sav/news.apx.-content-articles-SAV-2008-07-05-0005.html>

Strong Storms Knock Out Power to 10,000 Tampa Electric Customers, 3,800 Progress Energy Customers in Florida July 6

<http://www.tampabay.com/news/weather/article669505.ece>

Dominion Virginia Power Reports 11,270 Customers in the Dark July 4

http://www.istockanalyst.com/article/viewiStockNews+articleid_2374681&title=Rain_Dampens_the_Works_.html

Breaker Trip Halts Emissions Control Device at Luminant’s 793 MW Martin Lake Coal-fired Unit 2 in Texas July 6

Bloomberg News, 15:51 July 7, 2008

North Dakota Public Service Commission Receives Letters of Intent for Two Proposed FPL Wind Farms, Worth a Combined 1,150 MW of Output

<http://www.grandforksherald.com/ap/index.cfm?page=view&id=D91M3G0G0>

<http://www.psc.state.nd.us/meetings/agendas/2008/070208agenda.pdf>

Florida Public Service Commission Favors Progress Energy's Proposed Two 1,100 MW Nuclear Reactors in Florida

<http://www.tampabay.com/news/business/energy/article658720.ece>

Update: Texas Regulators Approve AEP's Proposed 600 MW Coal-fired John W Turk Jr. Power Plant in Arkansas

Reuters, 13:53 July 3, 2008

Update: Dominion Virginia Power to Break Ground on Coal-fired Virginia City Hybrid Energy Center July 7 in Virginia—Environmental Protests Continue

http://www.tricitie.com/tri/news/local/consumer/article/construction_on_controversial_coal_plant_to_officially_be_gin_monday/11348/

ExxonMobil Briefly Shuts FCC at 567,000 b/d Baytown, Texas Refinery July 4

OPIS, 10:33 July 7, 2008

Steam Incident Burns Three at 247,000 Belle Chasse, Louisiana Refinery July 3

http://www.downstreamtoday.com/News/Articles/200807/Three_Suffer_Burns_In_La_Refinery_Accid_11708.aspx

Valero Halts Pipeline at Petroleum Storage Site Near 81,000 b/d Wilmington, California Refinery—No Impact to Refinery Production, Company Says

Bloomberg News, July 3, 2008

Fisherman Block Fos-Lavera Oil Port in France July 4

Reuters, 13:24 July 4, 2008

GAO Says NRC Needs to Fix "Long-Standing" Issues in Fire Safety

http://www.satrib.com/ci_9804395?IADID

Federal Surface Transportation Board to Consider Government Plan for Railroad Line from Proposed Yucca Mountain Nuclear Waste Facility

<http://www.kolotv.com/home/headlines/22843334.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.

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