



# ENERGY ASSURANCE DAILY

Tuesday Evening, August 05, 2008

## Major Developments

### Heavy Storms Cut Power to 517,204 Customers in Illinois and Indiana August 4 Over 280,000 Still in the Dark August 5

Storms pummeled Illinois and Indiana yesterday evening, killing at least two people, temporarily stalling O'Hare International Airport, and cutting power to 517,204 customers. Some 281,517 customers remain in the dark, as of latest reports, including 219,000 in Commonwealth Edison's (ComEd) service territory. ComEd expects many customers to be without power for several days as workers repair "severe" damage to the electric system, according to a company release. NiSource's Northern Indiana Public Service Company (NIPSCO) restored power to 11,000 customers, but still had 52,000 customers in the dark, as of this morning. Officials yesterday evacuated O'Hare travelers to the airport's lower levels and temporarily stalled all flights. More than 450 flights were cancelled yesterday and today. Separately, a source said BP's 410,000 b/d Whiting, Indiana refinery was not impacted by the storm. The following table lists peak customer outages and restoration efforts, as reported in the press and at utility websites.

Midwest Customer Power Outages			
August 4-5 2008			
Electric Utility	State	Peak	Latest Reported
Commonwealth Edison	IL	426,000	219,000
Ameren	IL	28,204	10,517
NiSource (NIPSCO)	IN	63,000	52,000
<b>TOTAL*</b>		<b>517,204</b>	<b>281,517</b>

\*Total outages only represent electric utilities listed in this table.

Sources:

Reuters, 11:04 August 5, 2008

Reuters, 12:01 August 5, 2008

PRN 15:34 August 5, 2008

[http://www.ameren.com/Outage/ADC\\_IllinoisOutageInformation.asp](http://www.ameren.com/Outage/ADC_IllinoisOutageInformation.asp)

<http://www.msnbc.msn.com/id/26035947/>

<http://www.chicagotribune.com/news/local/chi-chicago-weather-webaug06.0.3572630.story>

[http://www.wishtv.com/Global/story.asp?S=8788828&nav=menu35\\_8](http://www.wishtv.com/Global/story.asp?S=8788828&nav=menu35_8)

<http://www.reuters.com/article/bondsNews/idUSN0531763720080805>

<http://ameren.mediaroom.com/index.php?s=43&item=517>

<http://www.post-trib.com/news/1091798.stormnew805.article>

## Electricity

### Tropical Storm Edouard Cuts Power to 39,000 Entergy Customers in Texas and Louisiana

Tropical Storm Edouard made landfall near High Island, Texas early this morning, cutting power to 37,000 Entergy customers in Texas and 2,000 Entergy customers in Louisiana. The storm packed winds as high as 65 miles per hour. Entergy restored electricity to 20,549 customers, but nearly 18,500 customers remained without power, according to a late-morning company report.

[http://entergy-texas.com/your\\_home/storm\\_center/](http://entergy-texas.com/your_home/storm_center/)

See OE's Tropical Storm Edouard Situation Reports: [http://www.oe.netl.doe.gov/named\\_event.aspx?ID=16](http://www.oe.netl.doe.gov/named_event.aspx?ID=16)

## **Storm Cuts Power to 35,000 Customers in Louisiana over Weekend**

The storm knocked out power to 25,000 Cleco customers and 10,000 Beaugard Electric customers. Only 162 Cleco customers and 100 Beaugard customers remained without power yesterday, August 4.

<http://www.thetowntalk.com/apps/pbcs.dll/article?AID=/20080805/NEWS01/808050312/1002>

## **Edison Mission Energy's 590 MW Sunrise Gas-fired Unit in California Shut by August 4**

According to the California Independent System Operator, the unit experienced an unplanned outage by August 4.

<http://www.caiso.com/unitstatus/data/unitstatus200808041515.html>

## **Calpine's 188 MW Los Esteros Gas-fired Unit in California Shut by August 4**

According to the California Independent System Operator, the unit experienced an unplanned outage by August 4.

<http://www.caiso.com/unitstatus/data/unitstatus200808041515.html>

## **OPG's 494 MW Lambton Coal-fired Unit 1 in Ontario Shuts by August 5**

Reuters, 07:38 August 5, 2008

## **OPG's 494 MW Lambton Coal-fired Unit 2 in Ontario Shuts by August 5**

Reuters, 10:44 August 5, 2008

## **PPL Electric Utilities, PSE&G Plan 500 kV Susquehanna-Roseland Transmission Line in New Jersey and Pennsylvania**

The line will stretch from Berwick, Pennsylvania, across the Delaware River to Roseland, New Jersey. The selected path follows existing power lines along its entire New Jersey portion, as well as along most of its Pennsylvania segment. PSE&G would construct the New Jersey portion of the line, along with two new substations; PPL Electric Utilities would build the Pennsylvania segment. Pending approvals, construction would begin in 2009, and the project would open for service for the summer of 2012.

<http://www.pplweb.com/newsroom/newsroom+quick+links/news+releases/080508+Susquehanna-Roseland+Route+Selected.htm>

[http://www.pseg.com/media\\_center/pressreleases/articles/2008/2008-08-05.jsp](http://www.pseg.com/media_center/pressreleases/articles/2008/2008-08-05.jsp)

## ***Petroleum***

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### **Update: Tropical Storm Edouard Shuts in 77,819 b/d of Crude Output in Gulf of Mexico Oil Prices Dip as Storm Misses Most Offshore Production**

Tropical Storm Edouard has shut in 77,819 b/d of production, or about 6.0 percent of total Gulf output, according to the Minerals Management Service. Companies have evacuated workers from 154 production platforms and 9 rigs. Those figures account for 21.5 percent of the Gulf's 717 manned platforms and 7.2 percent of the area's 125 operating rigs. Shell said it would return evacuated workers to platforms as the weather eased. While Chevron, said it would begin flying its workers back today, and Noble said it might begin that process tomorrow. The storm made landfall early this morning on Texas's upper coast, according to the National Hurricane Center. It packed wind gusts as high as 65 miles per hour, but forecasters expected the storm's strength to wane as it traveled across Texas. Oil prices slipped yesterday to a three-month low as forecasters predicted Edouard to only minimally impact infrastructure.

<http://www.mms.gov/ooc/press/2008/press0805.htm>

<http://www.bloomberg.com/apps/news?pid=20601103&sid=aQoLmOKEPWc0&refer=us>

<http://bloomberg.com/apps/news?pid=20602099&sid=aGiZibTiwcZU&refer=energy>

Bloomberg News,

Reuters, 08:02 August 5, 2008

Reuters, 09:58 August 5, 2008

Reuters, 09:51 August 5, 2008

See OE's Tropical Storm Edouard Situation Reports: [http://www.oe.netl.doe.gov/named\\_event.aspx?ID=16](http://www.oe.netl.doe.gov/named_event.aspx?ID=16)

### **Update: LOOP Restarts Offshore Operations August 5**

The Louisiana Offshore Oil Port (LOOP) was "open for business" today, according to a spokeswoman. A crude oil tanker was expected to offload this afternoon—the first such offloading since Tropical Storm Edouard stalled the port yesterday. The LOOP receives up to 1 million b/d in crude deliveries.

<http://in.reuters.com/article/oilRpt/idINN0532367020080805>

Reuters, 11:46 August 5, 2008

### **Valero Curtails Three Texas Refineries as Edouard Passes Through**

Valero cut rates at its 245,000 b/d Texas City refinery, its 130,000 b/d Houston refinery, and its 295,000 b/d Port Arthur refinery as Tropical Storm Edouard caused rain and heavy winds. The company said it would not release specific curtailment figures.

Reuters, 11:31 August 5, 2008

Reuters, 16:35 August 4, 2008

### **Edouard Causes “Minor Power Disruptions” at Valero’s 325,000 b/d Port Arthur, Texas Refinery**

The company addressed the problem, and said the incident did not affect operations at the refinery.

Bloomberg News, 15:43 August 5, 2008

### **Edouard Triggers Power Failure, Disrupts Some Units at Motiva’s 285,000 b/d Port Arthur, Texas Refinery**

The power interruption affected some units, but the company said refinery operations were “largely unaffected” by Edouard. “All units are either operating normally or in the process of being restreamed in order to resume normal operations,” according to a spokeswoman.

Reuters, 12:37 August 5, 2008

### **Update: Iraq Restarts Northern Oil Pipeline to Turkey—Turkish Pipeline Company**

Iraq restarted crude shipments of about 400,000 b/d this morning, officials from Turkey’s state oil company said, after deliveries stopped yesterday for unknown reasons. At the time of the shutdown, the pipeline was moving about 300,000 b/d.

Reuters, 04:26 August 5, 2008

### **Update: Platform Workers Accept Deal, Cancel Planned Five-Day Strike in Brazil**

The Sindipetro-NF union accepted Petrobras’ offer, averting a five-day platform workers’ strike that would have begun today, August 5. Sindipetro-NF said Petrobras partly satisfied union demands in a wage-labor dispute. A similar platform workers’ strike stalled 63,000 b/d of crude production last month. The resolution followed an accord last week between Petrobras and a national umbrella union, the Brazilian Oil Workers Federation. That larger clash had threatened to shut down Petrobras’ entire operations.

[http://www.rigzone.com/news/article.asp?a\\_id=65039](http://www.rigzone.com/news/article.asp?a_id=65039)

## **Natural Gas**

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### **Tropical Storm Edouard Shuts in 946 MMcf/d of Natural Gas Production in Gulf of Mexico**

Edouard has shut in 946 million cubic feet per day (MMcf/d) of natural gas production, or approximately 12.3 percent of Gulf production capacity, according to the Minerals Management Service. Transco said yesterday it had lost about 300 MMcf/d of production due to Edouard, and said it might lose an additional 200 MMcf/d. Enbridge, separately, declared force majeure along its Stingray pipeline; the company ordered offline all production platforms after the shutdown of all Stingray compressor stations. Enbridge also made unavailable for deliveries the interconnects between Enbridge Offshore Pipelines (UTOS), Transcontinental Gas Pipe Line at the SW Lateral via the Sabine Plant, and the Barracuda Plant Inlet. It cut nominations along a stretch of UTOS by 50 percent yesterday, and to 1 Dth today.

<http://www.mms.gov/oc/press/2008/press0805.htm>

<http://www.1line.williams.com/1Line/wgp/download?delvid=2025298&hfNoticeFlag=Y&hfDownloadFlag=false&hfFileName=download.html>

<http://www.enbridgeus.com/Reports/reportrem.aspx?pl=1&rptSite=1&rpt=/notice/FinalReview.asp?code=stry2008217.19461&tmi=1036&tmt=5>

<http://www.enbridgeus.com/Reports/reportrem.aspx?pl=1&rptSite=1&rpt=/notice/FinalReview.asp?code=utos2008217.92242&tmi=1083&tmt=5>

See OE’s Tropical Storm Edouard Situation Reports: [http://www.oe.netl.doe.gov/named\\_event.aspx?ID=16](http://www.oe.netl.doe.gov/named_event.aspx?ID=16)

## Colorado Interstate Gas Company Declares Force Majeure at Mocane Compressor Station in Oklahoma

Colorado Interstate Gas took a compressor unit out of service after workers discovered a crack in an oil cooler thermostat valve at the Mocane Compressor Station (MOC). MOC's capacity will be cut from 43.0 MMcf/d to 23.5 MMcf/d for today, August 5. The company said repairs could be finished by this week's end.

<http://ebb.cigco.com/ebbCIG/Notices/NoticeView.asp?sPipelineCode=CIG&sSubCategory=Critical&sNoticeId=7238>

## Texas Eastern Transmission Announces Non-Binding Open Season for 300 MMcf/d Texas Eastern Appalachia to Market Expansion Project

The project would deliver approximately 300 million cubic feet per day (MMcf/d) of Appalachian natural gas to northeast U.S. markets. Its first phase is scheduled to enter service as early as November 1, 2011. The non-binding open season runs from August 1, 2008 to August 29, 2008.

[http://www.spectraenergy.com/news/releases/2008/aug/20080804\\_01.asp](http://www.spectraenergy.com/news/releases/2008/aug/20080804_01.asp)

## Other News

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### Houston Ship Channel Closed, but Captain of the Port Begins Re-opening Process

The Captain of the Port closed the Houston Ship Channel at 8 PM last night, citing expected bad weather. Re-opening procedures have already begun, according to a U.S. Coast Guard release. As of this afternoon, 22 ships were waiting to enter port, and two were waiting to depart.

<http://www.d8externalaffairs.com/>

See OE's Tropical Storm Edouard Situation Reports: [http://www.oe.netl.doe.gov/named\\_event.aspx?ID=16](http://www.oe.netl.doe.gov/named_event.aspx?ID=16)

### Sabine Ship Channel Suspends Operations

The Sabine Pass Ship Pilots' Association suspended all boardings yesterday afternoon, according to a U.S. Coast Guard release and a news report. The Coast Guard said it would resume operations as safety conditions warranted.

<http://www.d8externalaffairs.com/go/page/425/22593/>

Reuters, 16:53 August 4, 2008

## Energy Prices

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U.S. Oil and Gas Prices			
August 5, 2008			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b>			
West Texas Intermediate U.S. \$/Barrel	120.88	121.76	75.71
<b>NATURAL GAS</b>			
Henry Hub \$/Million Btu	9.20	9.17	6.34

Source: Reuters

## Energy Notes

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### Update: Colorado State Researchers Expect 9 Hurricanes in 2008 Atlantic Season—Forecast Marks a Slight Increase from Previous Estimate

Reuters, 10:43 August 5, 2008

### Citing Heat Advisory, ERCOT Encourages Customers to Reduce Electricity Use during Peak Hours August 4

[http://www.ercot.com/news/press\\_releases/2008/nr08-04-08](http://www.ercot.com/news/press_releases/2008/nr08-04-08)

**Update: Officials Did Not Inspect Boiler “Dead Air Space” at Salem Harbor Power Station for 10 Years Prior to Deadly 2007 Explosion, Department of Public Safety Report Says—Dominion Energy New England to Contest Allegations**

[http://www.boston.com/business/articles/2008/08/01/anatomy\\_of\\_a\\_disaster/](http://www.boston.com/business/articles/2008/08/01/anatomy_of_a_disaster/)

**Update: After “White” Finding, NRC to Maintain Increased Oversight at NPPD’s 801 MW Cooper Nuclear Power Plant in Nebraska**

<http://www.platts.com/Nuclear/News/7180044.xml?p=Nuclear/News&sub=Nuclear>

**Chemical Unit Upset at Shell’s 332,000 b/d Deer Park, Texas Refinery August 5—No Affect on Other Operations, Spokesman Says**

<http://www.reuters.com/article/marketsNews/idUSN0530841520080805>

**U.S. Oil Demand Dips by 860,000 b/d in First Seven Months of 2008 Compared to 2007**

<http://www.energyintel.com/#latest>

**TECO Energy Forms SeaCoast Gas Transmission to Develop, Own High-Volume Florida Intrastate Natural Gas Pipeline**

<http://www.tecoenergy.com/news/article/index.cfm?article=467>

**General Electric Employs Sniper Fire Detection Technology to Protect Natural Gas Pipelines in Texas**

<http://www.chron.com/disp/story.mpl/headline/biz/5920646.html>

**Mantra Venture Group and Northwind Ethanol Hope to Break Ground on 20 Million Gallon/Year Cellulosic Ethanol Plant by End of 2008**

<http://www.mantraenergy.com/2008-news/mvtg-announces-entry-into-an-agreement-in-principle-for-a-cellulosic-ethanol-joint-ve.html>

**Illegal Nigerian Refinery Explodes in Delta State  
Refinery Had Been Processing Stolen Oil**

[http://www.vanguardngr.com/index.php?option=com\\_content&task=view&id=13592&Itemid=41](http://www.vanguardngr.com/index.php?option=com_content&task=view&id=13592&Itemid=41)

## **Links**

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***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](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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