



ENERGY ASSURANCE DAILY

Monday, August 06, 2007

Major Developments

Southern Natural Gas Declares Force Majeure after Pipeline Rupture and Fire in Louisiana August 3

The 20-inch natural gas pipeline ruptured 16 miles upstream from its Toca Compressor Station. The entire line was shut in to determine damage, constituting a force majeure. The pipeline runs approximately 600,000 dth/d of gas. At 08:24 August 6 the company encouraged shippers to utilize storage rights and provided a list of alternative supplies until the integrity of the pipeline could be re-established. The rupture caused an explosion that burnt for four hours.

<http://ixsnp.sonetpremier.com/ebbSNG/ebbmain.asp?sPipelineCode=SNG>
<http://www.wdsu.com/news/13814385/detail.html>

Bloomberg News, 11:05 August 6, 2007

Electricity

Lightning Knocks Out Power to Water Treatment Facility Serving 800,000 People in New Jersey August 3

Residents were urged to boil water after the treatment facility was taken offline due to the power outage. The outage occurred in the late evening August 3 and PSE&G restored power at 17:00 on August 4. The order to boil water was lifted during the morning on August 6.

<http://www.newsday.com/news/local/wire/newjersey/ny-bc-nj--wateralert0804aug04,0,2146859.story>
<http://www.northjersey.com/page.php?qstr=eXJpcnk3ZjczN2Y3dnFIZUVFeXkzJmZnYmVsN2Y3dnFIZUVFeXk3MTc4NDc3JnlyaXJ5N2Y3MTdmN3ZxZWVFRXl5Mg==>
<http://www.wnbc.com/news/13827641/detail.html>

Update: Cracks on Entergy's Steam Dryer Unit at 563 MW Yankee Nuclear Plant in Vermont Due to Age, Not Recent Increase in Production

Following a NRC investigation, cracks that were found on a Steam Dryer Unit were reportedly not caused by the recent twenty percent increase in power production at the plant. NRC reports that the plant is still safe to operate.

http://www.boston.com/news/local/vermont/articles/2007/08/03/entergy_yankee_cracks_not_due_to_power_boost/

Equipment Problems Lead Con Ed to Reduce Power to 81,000 Customers in Brooklyn, New York August 3

Higher temperatures most likely caused three electrical feeders to go out of service late in the afternoon. Con Ed urged customers to reduce usage until the problem was resolved later that evening.

http://www.nydailynews.com/news/2007/08/03/2007-08-03_con_ed_pumps_juice_back_into_brooklyn_co.html

Zaca Wild Fire Threatens Major Transmission Line near Santa Barbara, California August 4

Southern California Edison was taking action to move personnel and equipment into the area near Santa Barbara to prepare for the possibility that the Zaca Fire could damage a major transmission line and other facilities in the area. Reuters, 15:18 August 4, 2007

Southern's 924 MW Hatch Nuke Unit 1 in Georgia Back to Full Power August 6

According to the company, the unit returned to full power by early morning on August 6 following adjustments to fuel rods to manage the fuel for the reactor.

Bloomberg News, August 6, 2007

Energy Northwest's 1,157 MW Columbia Nuke Unit in Washington at Full Power August 6

The unit was reported at full power following repairs to the main transformer that took place during the preceding weekend.

Bloomberg News, 12:00 August 6, 2007

FPL Group's 839 MW Saint Lucie Nuke Unit 1 in Florida Operating at Reduced Rate August 6

The unit was operating at 90 percent of capacity because sea grass clogged a filter on a circulating water pump. The reactor could be returned to full power by the evening of August 6.

Bloomberg News, 10:57 August 6, 2007

South Texas Project's 1,280 MW Nuke Unit 2 Back at Full Power August 6

The unit returned to full capacity by 10:15 a.m. local time on August 6 following a period of reduced output because of a failure in a control panel.

Bloomberg News, 11:29 August 6, 2007

Exelon's 912 MW Dresden Nuke Unit 2 Operating at Reduced Rate August 6

The unit is operating at a reduced rate of 90 percent of capacity so that the temperature of the water discharged into the Illinois River could be reduced.

Bloomberg News, 12:24 August 6, 2007

OPG's 494 MW Lambton Coal-fired Unit 3 in Ontario Shut August 7

Reuters, 07:55 August 6, 2007

OPG's 494 MW Lambton Coal-fired Unit 4 in Ontario Shut August 7

Reuters, 07:55 August 6, 2007

CDWR's 293 MW Hyatt Hydro Unit in California Shut August 5

Reuters, 07:55 August 6, 2007

Calpine's 264 MW Sutter Gas-fired Unit in California Shut August 5

Reuters, 07:55 August 6, 2007

TransAlta's 353 MW Sundance Coal-fired Unit 3 in Alberta Shut July 13

Reuters, 07:55 August 6, 2007

Petroleum

Hydrotreater and Two Sulfur Recovery Units Shut at Chevron's 325,000 b/d Pascagoula, Mississippi Refinery August 3

Chevron's largest US refinery unexpectedly shut down its Fluid Catalytic Cracking Unit as well as two sulfur recovery units. The facility is expected to run at reduced rates for 7-10 days.

Reuters, 12:05 August 6, 2007

OPIS 02:45 August 3, 2007

Thunderstorm Shuts FCC Unit at Holly Corporation's 83,000 b/d Artesia, New Mexico Refinery August 3

Power was cut off to the Fluid Catalytic Cracking Unit during a severe lightning storm. Upon restart, the FCC Unit experienced a malfunction. The unit is to undergo repairs for the next 10-14 days, during which, the refinery will reduce production by 30,000 b/d.

[http://www.streetinsider.com/Corporate+News/Holly+Corporation+\(HOC\)+Reports+Malfunction+in+Navajo+Refinery/2824741.html](http://www.streetinsider.com/Corporate+News/Holly+Corporation+(HOC)+Reports+Malfunction+in+Navajo+Refinery/2824741.html)

Fire in Naphtha Unit at Valero's 325,000 b/d Port Arthur, Texas Refinery August 5

The fire broke out in a leaking hydrogen tank at approximately 7:20 p.m. local time and was quickly controlled. The incident occurred in a naphtha pre-treater unit leaving a nearby coking unit unaffected. According to a representative of the company, all units at the refinery other than the naphtha unit were operating normally as of Monday morning.

Reuters, 10:04 August 6, 2007

Bloomberg News, 08:19 August 6, 2007

Bloomberg News, 10:16 August 6, 2007

ConocoPhillips Reports Flaring Event at 146,000 b/d Borger, Texas Refinery to State Regulators August 5 – Operating Normally August 6

In a report to state regulators, ConocoPhillips reported that an equipment malfunction resulted in the flaring incident on Sunday.

<http://www2.tceq.state.tx.us/eer/main/index.cfm?fuseaction=getDetails&target=95434>

Reuters, 13:51 August 6, 2007

Natural Gas

MarkWest Announces New Plans to Expand its Foss Lake Processing Facilities by 95 MMcf/d in Oklahoma

The plant is being expanded in order to handle the greater supply of gas at the facility and to allow for greater exploration in the region. The expansion will bring the plant's capacity to 155 MMcf/d by mid-2008

<http://digital50.com/news/items/BW/2001/07/14/20070802006373/markwest-energy-partners-announces-20-million-expansion-in-western-oklahoma.html>

Williams Launches Open Season for its 34-mile Colorado Hub Connection

Williams is looking to have shippers commit to participate in the new hub that would allow Greasewood and Meeker hubs to connect to its Northwestern Pipeline. In April, Williams received interest totaling over 600 Dth/d from potential shippers.

http://www.rigzone.com/news/article.asp?a_id=48619

TransCanada and NW Natural Plan Joint Pipeline Venture in Oregon Aug 6

The two companies formed Palomar Gas Transmission LLC. The 36-inch proposed pipeline will stretch 220 miles from Central to Northwestern Oregon connecting TransCanada's GTN system with NW Natural's network. The new pipeline is planned to start transmission in late 2011 and will serve the growing population in the region.

<http://www.platts.com/Natural%20Gas/News/8190197.xml?p=Natural%20Gas/News&sub=Natural%20Gas>

<http://biz.yahoo.com/bw/070806/20070806005277.html?.v=1>

Other News

6 Miners Trapped after Coal Mine Collapses in Central Utah August 6

Following a 4.0 magnitude earthquake the Genwal mine reported a cave-in. The mine is operated by Utah American Energy.

http://www.sltrib.com/ci_6555635

<http://www.newsday.com/news/nationworld/wire/sns-ap-utah-mine-collapse.0.6472467.story>

Software Flaw That Poses Potential Terrorist Threat Discovered

A programming flaw in software used on SCADA for various elements of infrastructure was identified at a computer hacking conference. This weakness exhibits a potential threat for cyber terrorism.

<http://www.sfgate.com/cgi-bin/article.cgi?f=/n/a/2007/08/04/financial/f162659D94.DTL>

Energy Prices

U.S. Oil and Gas Prices August 6, 2007			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	72.56	76.82	74.80
NATURAL GAS Henry Hub \$/Million Btu	6.10	6.31	7.60

Source: Reuters

Energy Notes

FERC Okays El Paso's Elba Island LNG Import Terminal Expansion in Georgia August 3

<http://www.reuters.com/article/scienceNews/idUSN0335134420070803>

10,000 Pacific Power Customers in Oregon Lose Power for Eight Hours as Bluebird Knocks out Substation Transformer August 5

http://www.gazettetimes.com/articles/2007/08/06/news/community/7aaa02_birdoutage.txt

An Unspecified Amount of Petroleum Spilled near the Port of Los Angeles, California August 5

<http://www.oes.ca.gov/Operational/MALHaz.nsf/f1841a103c102734882563e200760c4a/b7353a2c2546995b8825732e006c1c20?OpenDocument>

Cargo Vessel Strikes ConocoPhillips's Viking Echo Unmanned Platform in North Sea August 4

http://www.rigzone.com/news/article.asp?a_id=48636

Local Nigerian Leader Calls on Oil Companies to Compensate for Oil Spills

<http://allafrica.com/stories/200708061044.html>

Kazakhstan's Oil Production Up by 5.5 Percent Year-to-Date

Bloomberg News, 08:49 August 6, 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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Please direct comments and questions to: ead@oe.netl.doe.gov