



ENERGY ASSURANCE DAILY

Thursday Evening, August 07, 2008

Major Developments

Update: Baku-Tbilisi-Ceyhan Pipeline Shut for a Minimum 2 Weeks -- BP Reducing Production from Caspian Sea ACG Fields -- Considering Alternative Routes

The Baku-Tbilisi-Ceyhan (BTC) crude oil pipeline will be shut for a minimum of two weeks, but could be shut up to five weeks, according a spokesman at Turkey's state-owned pipeline company, Botas, Dow Jones Newswires reports. On August 6 an explosion and subsequent fire at a pump station in eastern Turkey shut flows on the pipeline, which runs from oil fields in Azerbaijan to the Turkish port of Ceyhan. BP has confirmed that production from the Caspian Sea ACG fields is being curtailed. In addition, the company is actively considering alternative routes and has also confirmed that some crude has already been diverted to other outlets including the Georgian ports of Supsa and Batumi. Despite the rerouted exports, production will remain cut due to capacity constraints. The declaration of force majeure on the BTC pipeline remains in effect. Prior to the explosion, the pipeline was pumping between 850,000 to 950,000 b/d. BP has also confirmed unspecified production cuts at the Shah Deniz gas field in the Caspian Sea.

<http://www.platts.com/Oil/News/8937490.xml?p=Oil/News&sub=Oil>

<http://in.reuters.com/article/asiaCompanyAndMarkets/idINIST00223120080807>

<http://www.marketwatch.com/news/story/futures-movers-oil-futures-setting/story.aspx?guid=%7B13538F71-AE20-487D-ABE9-777AA47C20BC%7D&dist=hplatest>

Reuters, 03:04 August 7, 2008

Electricity

Update: 24,000 Customers in Illinois and Indiana Remain without Power August 7 Due to the Powerful Thunderstorms and Tornadoes of August 4

As of this morning, 16,000 NIPSCO customers in Indiana remain without power, down from a peak of 63,000 customers. NIPSCO anticipates all customers will be fully restored by Saturday. ComEd is currently reporting 8,000 customers without power, down from 546,000 customers from the peak of the storm. The storms knocked out power to a total of 650,389 customers in the two states.

http://www.thetimesonline.com/articles/2008/08/07/updates/breaking_news/doc489ae749d8e58792991618.txt

<http://abclocal.go.com/wls/story?section=news/local&id=6312023>

Black Hills Proposes 350 MW Gas-fired Plant in Colorado

In its latest long-range resource plan filed with the Public Utilities Commission, Black Hills also intends on adding 64 MW of renewable capacity by 2012.

<http://www.platts.com/Coal/News/6934194.xml?p=Coal/News&sub=Coal>

TVA's 1,125 MW Watts Bar Nuke Unit 1 in Tennessee Shut by August 7

The Nuclear Regulatory Commission reported that on the morning of August 6 the unit was operating at 80 percent. Information derived from the NRC Power Reactor Status Reports:

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

Entergy's 778 MW Palisades Nuke Unit in Michigan Shut August 5

Reuters, 20:29 August 6, 2008

AES's 495 MW Alamos Gas-fired Unit 6 in California Shut by August 6

According to the California Independent System Operator, the unit experienced an unplanned curtailment of 115 MW by August 6.

<http://www.caiso.com/unitstatus/data/unitstatus200808061515.html>

Enmax's 250 MW Calgary Gas-fired Unit in Alberta Shut August 6

Reuters, 8:40 August 7, 2008

Calpine's 135 MW Gilroy Gas-fired Unit in California Shut by August 6

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

<http://www.caiso.com/unitstatus/data/unitstatus200808061515.html>

Update: Entergy's 966 MW River Bend Nuke Unit 1 in Louisiana Returns to Full Power by August 7

The Nuclear Regulatory Commission reported that on the morning of August 6 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: Duke's 754 MW Moss Landing Gas-fired Unit 6 in California Returns to Service by August 6

<http://www.caiso.com/unitstatus/data/unitstatus200808061515.html>

Update: AEP's 721 MW Pirkey Coal-fired Unit 1 in Texas Returns to Service August 6

According to a filing with state regulators, the unit was shut August 5 to repair a boiler tube leak.

<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=112173>

Update: OPG's 494 MW Lambton Coal-fired Unit 1 in Ontario Returns to Service August 7

The unit was shut by August 5.

Reuters, 07:54 August 7, 2008

Update: OPG's 490 MW Nanticoke Coal-fired Unit 4 in Ontario Back in Service August 7

The unit was shut by August 4

Reuters, 07:54 August 7, 2008

Update: AES's 227 MW Huntington Beach Gas-fired Unit 4 in California Returns to Service August 6

According to the California Independent System Operator, the unit experienced an unplanned outage on August 6.

<http://www.caiso.com/unitstatus/data/unitstatus200808061515.html>

Petroleum

Update: Citgo Restarts Crude Unit at its 156,000 b/d Corpus Christi, Texas Refinery August 7

The unit was shut after it lost steam.

Reuters, 11:22 August 7, 2008

Update: Marathon Restarting 76,000 b/d Texas City, Texas Refinery August 6

The refinery was shut on August 4 in anticipation of Tropical Storm Edouard.

<http://www.chron.com/disp/story.mpl/business/5927626.html>

Update: Alon's 70,000 b/d Big Spring, Texas Refinery to Return to Full Rates by End of August

The refinery was hit by a fire in February. The company expects repairs to the fluid catalytic cracking unit to be complete by August 13 with the unit restarted by the end of the month. The restart of the FCC will enable the refinery to return to full rates a month later than previously estimated.

Reuters, 11:38 August 7, 2008

Update: Repairs Continuing On Shell's Crude Pipelines Sabotaged in Nigeria Last Week

The Movement for Emancipation of the Niger Delta (MEND) admitted responsibility for two pipeline attacks, affecting 150,000 b/d of production.

<http://www.reuters.com/article/rbssEnergyNews/idUSL714580120080807>

Natural Gas

Tennessee Gas Announces 300,000 Dth/d Open Season for its 300 Line Expansion Project

The expansion project includes constructing 125 miles of 30-in natural gas pipeline, and 46,000 horsepower of additional compression stations along the existing pipeline in Pennsylvania and New Jersey. Tennessee Gas expects to begin construction on the project in 2010 or 2011.

http://www.downstreamtoday.com/News/Articles/200808/Tennessee_Gas_Pipeline_Announces_Lin_12251.aspx

Other News

EPA Rejects Texas Governor's Ethanol Waiver Request August 7

The Environmental Protection Agency (EPA) has rejected a request by Texas Governor Rick Perry to grant a 50 percent waiver of Renewable Fuel Standard (RFS), which mandates the addition of 9 billion gallons of ethanol to gasoline supplies this year. In a conference call, the EPA Administrator Stephen Johnson indicated that EPA staff concluded the RFS "is not causing severe economic harm, but rather strengthening the nation's energy security and farm communities."

<http://money.cnn.com/2008/08/07/news/economy/ethanol/?postversion=2008080714>

Energy Prices

U.S. Oil and Gas Prices			
August 7, 2008			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.			
\$/Barrel	119.66	124.14	72.28
NATURAL GAS			
Henry Hub			
\$/Million Btu	8.70	9.01	6.38

Source: Reuters

Energy Notes

Devon Energy Projects 73 Tcf Potentially Recoverable Natural Gas from its Haynesville Shale in East Texas and North Louisiana

<http://www.platts.com/Natural%20Gas/News/6934191.xml?p=Natural%20Gas/News&sub=Natural%20Gas>

Flaring at Tesoro's 103,500 b/d Wilmington, California Refinery August 6

Bloomberg News, 20:23 August 7, 2008

Update: Restrictions after Tropical Storm Edouard Lifted for Sabine Pass Channel and Port of Texas City in Texas August 7

Reuters, 09:08 August 7, 2008

Update: Restrictions after Tropical Storm Edouard Lifted for Houston Ship Channel August 7

Reuters, 09:08 August 7, 2008

Update: NRC Accepts License Application for South Carolina Electric and Gas' Proposed Two 1,100 MW Nuke Unit Expansion at Summer Nuke Plant in South Carolina

<http://www.platts.com/Nuclear/News/7186992.xml?p=Nuclear/News&sub=Nuclear>

Update: FERC Approves Dominion Transmission's Rockies Express Pipeline Expansion Project

NGI's Daily Gas Price Index, August 07, 2008; <http://intelligencepress.com/>

OPEC Exports (Excluding Angola and Ecuador) to fall 360,000 b/d to August 23, Shipments In Line with Normal Seasonal Patterns – Analyst

Reuters, 11:30 August 7, 2008

Pemex to Increase Investment in Oil Industry in Effort to Stem Output Decline and Boost Production

http://www.rigzone.com/news/article.asp?a_id=65158

Connecticut Light & Power Reports 10, 549 Customers without Power August 7

<http://www.cl-p.com/stormcenter/outage.aspx>

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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