



# ENERGY ASSURANCE DAILY

Monday Evening, August 11, 2008

## Major Developments

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### Update: BP Extinguishes Fire Along Baku-Tbilisi-Ceyhan Oil Pipeline

#### Russia Denies it Targeted Pipeline as Georgian Conflict Disrupts Some Oil Ports

BP extinguished the fire and began working to cool the damaged Baku-Tbilisi-Ceyhan (BTC) oil pipeline. The pipeline remains shut, however, and BP said it cannot assess damage or begin repairs until it is sufficiently cooled. An explosion in BTC's Turkish segment stalled the pipeline last week. Separately, fighting between Russia and Georgia in South Ossetia—a breakaway region Georgia seeks to reclaim—disrupted nearby oil ports and threatened to further damage the downed BTC pipeline, which passes through Georgia. Russia denied Georgian claims that it fired 51 missiles at the BTC pipeline, saying its assaults were limited to military structures. BP maintains that the conflict was not endangering the pipeline, and indicated that crude oil shipments through Georgia were still moving. With the BTC down, BP is redirecting Azeri crude through the Baku-Supsa pipeline, the Baku-Novorossiysk line, and via rail across Georgia. Though the full infrastructure impact remains unclear, there have been reports that the conflict slowed or shut at least four Georgian oil ports; Batumi, Kulevi, Poti and Supsa. According to latest reports, the port of Poti is operational but out of service amid safety concerns, and Supsa has partly reopened. Georgian President Mikheil Saakashvili said he signed a cease-fire, according to a Monday news report.

Reuters, 08:16 August 11, 2008

Reuters, 02:23 August 11, 2008

Reuters, 06:07 August 11, 2008

Bloomberg News 09:56 August 11, 2008

Bloomberg News, 11:15 August 11, 2008

Bloomberg News, 07:16 August 11, 2008

Bloomberg News, 09:39 August 11, 2008

<http://www.telegraph.co.uk/news/worldnews/europe/georgia/2534767/Georgia-Russia-targets-key-oil-pipeline-with-over-50-missiles.html>

<http://www.reuters.com/article/newsMaps/idUSLB2221320080811>

[http://www.redorbit.com/news/business/1517646/kazakhstan\\_suspends\\_oil\\_exports\\_via\\_georgian\\_sea\\_port/](http://www.redorbit.com/news/business/1517646/kazakhstan_suspends_oil_exports_via_georgian_sea_port/)

[http://www.forbes.com/reuters/feeds/reuters/2008/08/11/2008-08-11T091934Z\\_01\\_SYD96437\\_RTRIDST\\_0\\_MARKETS-OIL-UPDATE-3.html](http://www.forbes.com/reuters/feeds/reuters/2008/08/11/2008-08-11T091934Z_01_SYD96437_RTRIDST_0_MARKETS-OIL-UPDATE-3.html)

[http://www.forbes.com/commodities/2008/08/11/oil-russia-georgia-markets-commodities-cx\\_11\\_0811markets10.html](http://www.forbes.com/commodities/2008/08/11/oil-russia-georgia-markets-commodities-cx_11_0811markets10.html)

[http://www.forbes.com/commodities/2008/08/11/oil-russia-georgia-markets-commodities-cx\\_11\\_0811markets10.html](http://www.forbes.com/commodities/2008/08/11/oil-russia-georgia-markets-commodities-cx_11_0811markets10.html)

[http://business.timesonline.co.uk/tol/business/industry\\_sectors/natural\\_resources/article4499863.ece](http://business.timesonline.co.uk/tol/business/industry_sectors/natural_resources/article4499863.ece)

Link to a pipeline map: <http://socar.az/btc.html>

## Electricity

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### Thunderstorms Cut Power to 26,661 Atlantic City Electric Customers in New Jersey

#### August 10

The company reported 26,661 customers without power after 9 PM last night, August 10. As of latest reports, only 607 customers remained in the dark.

<http://www.atlanticcityelectric.com/home/emergency/maps/outage/>

<http://www.courierpostonline.com/apps/pbcs.dll/article?AID=/20080811/NEWS01/80811016/1006/news01>

### **Update: TVA's 1,155 MW Browns Ferry Nuke Unit 1 in Alabama Shut August 8**

Tennessee Valley Authority (TVA) shut the reactor from half-power after workers found a leak in a temperature sensor along the main steam line. The company had previously slowed the unit to 50 percent power—along with Browns Ferry's other two units—after transformer malfunctions halted associated cooling towers. (See related stories below.)

[http://www.kypost.com/content/news/commonwealth/story.aspx?content\\_id=e3cdaa42-e796-4926-a802-cb729b11fba0](http://www.kypost.com/content/news/commonwealth/story.aspx?content_id=e3cdaa42-e796-4926-a802-cb729b11fba0)

Information also derived from the NRC Power Reactor Status Reports:

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

### **Update: TVA's 1,118 MW Browns Ferry Nuke Unit 2 in Alabama at Full Power by August 10**

Tennessee Valley Authority (TVA) slowed all three Browns Ferry units to 50 percent power on August 8 after transformer malfunctions halted associated cooling towers. The Nuclear Regulatory Commission reported that on the morning of August 9 the unit was operating at 75 percent.

Information also derived from the NRC Power Reactor Status Reports:

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

[http://www.kypost.com/content/news/commonwealth/story.aspx?content\\_id=e3cdaa42-e796-4926-a802-cb729b11fba0](http://www.kypost.com/content/news/commonwealth/story.aspx?content_id=e3cdaa42-e796-4926-a802-cb729b11fba0)

### **Update: TVA's 1,118 MW Browns Ferry Nuke Unit 3 in Alabama Ramped Up to 98 Percent by August 11**

Tennessee Valley Authority (TVA) slowed all three Browns Ferry units to 50 percent power on August 8 after transformer malfunctions halted associated cooling towers. The Nuclear Regulatory Commission reported that on the morning of August 10 the unit was operating at 75 percent.

Information also derived from the NRC Power Reactor Status Reports:

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

[http://www.kypost.com/content/news/commonwealth/story.aspx?content\\_id=e3cdaa42-e796-4926-a802-cb729b11fba0](http://www.kypost.com/content/news/commonwealth/story.aspx?content_id=e3cdaa42-e796-4926-a802-cb729b11fba0)

### **Progress Energy's 900 MW Harris Nuke Unit 1 in North Carolina Shut August 11**

Progress Energy halted the unit early this morning after workers discovered a condenser seal leak, a spokeswoman said. She did not say when the unit would resume normal output. The Nuclear Regulatory Commission reported that on the morning of August 10 the unit was operating at full power.

Bloomberg News, 15:33 August 11, 2008

Information also derived from the NRC Power Reactor Status Reports:

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

### **AES's 498 MW Alamosa Gas-fired Unit 5 in California Slows by August 10**

According to the California Independent System Operator, the unit experienced an unplanned curtailment of 348 MW by August 10.

<http://www.caiso.com/unitstatus/data/unitstatus200808101515.html>

### **Wolf Creek Nuclear's 1,165 MW Wolf Creek Nuke Unit 1 in Kansas at Full Power by August 11**

The Nuclear Regulatory Commission reported that the unit slowed to 90 percent power by the morning of August 9.

Information derived from the NRC Power Reactor Status Reports:

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

### **Exelon's 1,116 MW Peach Bottom Nuke Unit 2 in Pennsylvania Ramped Up to 97 Percent by August 10**

The Nuclear Regulatory Commission reported that on the morning of August 9 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/>

## **Southern's 830 MW Farley Nuke Unit 1 in Alabama Ramped Up to 67 Percent by August 10**

Southern slowed the unit to 70 percent power by August 8 to fix a steam line in the turbine building, according to a company spokeswoman. By August 9, the unit was curtailed to 36 percent power. It ramped back up to 67 percent by August 10, and 70 percent by August 11.

<http://www.reuters.com/article/marketsNews/idUSN0848148420080808>

Information also derived from the NRC Power Reactor Status Reports:

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

## **Duke Energy's 846 MW Oconee Nuke Unit 1 in South Carolina at Full Power by August 10**

The Nuclear Regulatory Commission reported that on the morning of August 9 the unit was operating at 88 percent.

Information derived from the NRC Power Reactor Status Reports:

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

## **NPPD to Restart 764 MW Cooper Nuke Unit in Nebraska after August 9 Shutdown**

The Nebraska Public Power District (NPPD) shut the unit to repair a valve that helps control steam pressure in the main turbine, a spokesman said. The company fixed the valve and expected to resume power production later today, August 11.

Bloomberg News 15:30 August 11, 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 730 MW Palisades Nuke Unit in Michigan at Full Power by August 11**

Entergy shut the unit August 5 to fix four control rod drive mechanism seals, a company spokesman said. The Nuclear Regulatory Commission reported that on the morning of August 10 the unit was operating at 8 percent.

Bloomberg News, 11:57 August 11, 2008

Information also derived from the NRC Power Reactor Status Reports:

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

## **Edison Mission Energy's 590 MW Sunrise Power Project Gas-fired Unit in California Returns to Service by August 8**

According to the California Independent System Operator, the unit returned from an unplanned outage.

<http://www.caiso.com/unitstatus/data/unitstatus200808081515.html>

## **Calpine's 405 MW Inland Empire Energy Center Gas-fired Unit 2 in California Returns to Service by August 8**

According to the California Independent System Operator, the unit returned from an unplanned shutdown.

<http://www.caiso.com/unitstatus/data/unitstatus200808081515.html>

## **Calpine's 376 MW Inland Empire Energy Center Gas-fired Unit 1 in California Returns to Service by August 10**

According to the California Independent System Operator, the unit returned from an unplanned shutdown.

<http://www.caiso.com/unitstatus/data/unitstatus200808081515.html>

## **Update: AES's 175 MW Redondo Gas-fired Unit 6 in California Ramps up August 8**

According to the California Independent System Operator, the unit returned from an unplanned curtailment of 125 MW.

<http://www.caiso.com/unitstatus/data/unitstatus200808081515.html>

## **OPG's 490 MW Nanticoke Coal-fired Unit 1 in Ontario Shuts by August 11**

Reuters, 09:26 August 11, 2008

## **OPG's 490 MW Nanticoke Coal-fired Unit 6 in Ontario Shuts by August 11**

Reuters, 09:26 August 11, 2008

## **OPG's 494 MW Lambton Coal-fired Unit 4 in Ontario Shuts by August 11**

Reuters, 09:22 August 11, 2008

## **Enmax's 250 MW Calgary Gas-fired Unit in Alberta Shut August 8**

Reuters, 10:51 August 11, 2008

## **Duke Energy, AEP Plan 240-mile, 765 kV Transmission Lines in Indiana**

Duke Energy and American Electric Power (AEP) formed Pioneer Transmission LLC, a 50-50 joint venture, to build 240 miles of 765-kV transmission lines in Indiana. The lines would stretch from Duke Energy's Greentown Station to AEP's Rockport Station. The companies will conduct a public outreach effort in 2009 and 2010 before it determines the project's final path. The project would come online in 2014 or 2015, at the earliest.

<http://www.duke-energy.com/news/releases/2008081101.asp>

## **Southern Power Plans 760 MW Expansion at 800 MW Gas-and-Diesel-fired Plant Dahlberg in Georgia**

The company applied for an environmental permit to add four generators, and a combined 760 MW of new power capacity. The expansion may not come online for years, According to a company representative, the plant will not be built until a definite need arises.

[http://www.istockanalyst.com/article/viewiStockNews+articleid\\_2494651~title\\_Power-Producer-in.html](http://www.istockanalyst.com/article/viewiStockNews+articleid_2494651~title_Power-Producer-in.html)

## **M-Power and Otter Tail Power Company Plan 157.5 MW Luverne Wind Farm in North Dakota**

Otter Tail Power Company entered into an agreement with M-Power to purchase a portion of the project. At present, M-Power is seeking site and transmission route approval from the North Dakota Public Service Commission.

PRN, 12:30 August 11, 2008

## **ACCIONA Announces Opening of 180 MW Tatanka Wind Farm in North Dakota and South Dakota**

The plant went online in late-July, the company announced August 11. Tatanka is the largest wind farm in North and South Dakota, according to a press release.

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

## ***Petroleum***

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### **Marathon Cuts Rates at 220,000 b/d Catlettsburg, Kentucky Refinery after Pipeline Leak**

Marathon slowed the refinery after an associated pipeline ruptured and shut, the company confirmed. A spokesperson did not say when the pipeline would restart, or how much production it impacted. The affected pipeline stretches from Patoka, Illinois to Owensboro, Kentucky; the line supplies an unspecified volume of crude oil to the refinery. The rupture resulted in a spill of approximately 5,000 barrels of oil, according to the company.

Reuters, 11:39 August 11, 2008

Bloomberg News, 16:19 August 11, 2008

### **Officials Evacuate Thousands after Propane Depot Explosions in Toronto August 10**

Large explosions at a propane depot damaged homes, shut gas and electricity service, stalled traffic, and triggered a six-alarm fire in north Toronto. One firefighter died in the subsequent fire, and at least eight people suffered minor injuries during the incident. Police evacuated thousands of locals, but allowed them to return home by yesterday evening.

Bloomberg News, 04:03 August 11, 2008

## ***Natural Gas***

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Nothing to report.

## ***Other News***

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Nothing to report.

## Energy Prices

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<b>U.S. Oil and Gas Prices</b> August 11, 2008			
	<b>Today</b>	<b>Week Ago</b>	<b>Year Ago</b>
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	114.44	121.18	71.50
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	8.18	9.05	6.57

Source: Reuters

## Energy Notes

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**Update: Entergy Plans New Emergency Response System at Indian Point Nuclear Power Plant in New York—Company to Provide Some Nearby Homes with Emergency Radios**  
<http://www.theday.com/re.aspx?re=8debcfa0-2b1b-4901-8f20-509a5bc65b12>

**Oregon Breaks Ground on Solar Highway Project—to Partly Power Lighting System at Highway Interchange**  
<http://www.wvmx.com/cc-common/news/sections/lifestylearticle.html?feed=104764&article=4069369>

**Power Outage Shuts Wet Gas Compressor at Valero’s 190,200 b/d Delaware City, Delaware Refinery August 10—No Impact to Production, Company Says**  
Bloomberg News, 13:01 August 11, 2008

**Flint Hills Resources to Build New Sulfur Recovery Unit and Diesel Desulfurization Unit in West Plant at 288,126 b/d Corpus Christi, Texas Refinery**  
[http://www.downstreamtoday.com/News/Articles/200808/Flint\\_Hills\\_To\\_Add\\_Flexibility\\_At\\_Corpus\\_12300.aspx](http://www.downstreamtoday.com/News/Articles/200808/Flint_Hills_To_Add_Flexibility_At_Corpus_12300.aspx)

**Holly to Initiate 5,000 b/d Expansion Project at 26,000 b/d Woods Cross, Utah Refinery Next Week**  
Reuters, 14:47 August 8, 2008

**Workers Find Suspicious Device Near Transco Natural Gas Pipeline in New Jersey—Upon Review, Officials Deem Object Harmless**  
<http://www.nj.com/news/times/regional/index.ssf?/base/news-14/1218168333182630.xml&coll=5>

**U.S. Maritime Administration and Coast Guard Release Final Environmental Impact Statement for Torp’s Proposed 1.2 Bcf/d LNG Bienville Offshore Energy Terminal in U.S. Gulf of Mexico**  
<http://www.platts.com/Natural%20Gas/News/6935052.xml?p=Natural%20Gas/News&sub=Natural%20Gas>

**Magnitude 5.1 Earthquake Strikes Venezuela August 11—U.S. Geological Survey No Impact Reported to Oil Industry**  
<http://www.reuters.com/article/latestCrisis/idUSN11349026>

## 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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*Energy Assurance Daily* provides a summary of public information concerning current energy issues. Published Monday through Friday to inform stakeholders of developments affecting energy systems, flows, and markets, it provides highlights of energy issues rather than a comprehensive coverage. *Energy Assurance Daily* is updated online Monday through Friday after 5:00 p.m. EST. For more information, visit the Infrastructure Security and Energy Restoration (ISER) website at:

<http://www.oe.netl.doe.gov/index.aspx>.

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