



# ENERGY ASSURANCE DAILY

Friday Evening, August 17, 2007

## Major Developments

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### **Update: Large Fire Shuts Down One of Two Crude Processing Units at Chevron's 330,000 b/d Pascagoula, Mississippi Refinery August 16**

At 14:15 CST August 16 a large fire broke out at Chevron's Pascagoula Crude Processing Unit 2. The fire was contained by 16:45 CST and was reported to be extinguished by 20:45 CST. Chevron officials are still trying to determine the cause of the fire and its resulting impact on production. Chevron is assessing the damage and does not yet have a timetable for restart. Trade sources report that Crude Processing Unit 2 has a capacity of 160,000 b/d. The Crude Processing Unit 1 continues to operate at the facility.

<http://www.gulflive.com/news/mississippipress/index.ssf?base/news/1187345719300380.xml>

<http://www.clarionledger.com/apps/pbcs.dll/article?AID=/20070817/NEWS/70817006>

<http://www.chevron.com/news/press/2007/2007-08-16.asp>

[http://www.washingtonpost.com/wp-dyn/content/article/2007/08/17/AR2007081700446\\_2.html](http://www.washingtonpost.com/wp-dyn/content/article/2007/08/17/AR2007081700446_2.html)

Reuters, 09:43 August 17, 2007

### **Update: Coffeyville Resources Restarts Most Units at Flooded 112,000 b/d Coffeyville, Kansas Refinery August 17**

Coffeyville Resources Refining & Marketing, LLC said August 17 that it has restarted most of the operating units at its oil refinery which had been shut down since a record flood of the Verdigris River swept over the facility June 30-July 1. Process operations which have been restarted include both crude units, both vacuum units, the naphtha hydrotreater, the catalytic reformer, two distillate hydrotreaters, the fluid catalytic cracking unit, the alkylation unit, the isomerization unit, the delayed coking unit and sulfur recovery facilities. Remaining units are in varying stages of startup. Coffeyville Resources said it will significantly beat earlier projections that the refinery would be fully restored by mid September. The refinery is operating at a stable but reduced throughput while recovery efforts continue. It has operated at rates up to 98,000 b/d post startup, but overall crude charge rates will vary during the next few weeks. Before the flood, the refinery had been processing approximately 108,000 barrels per day of crude oil. The company cautioned that mechanical challenges created by the flooding could cause equipment problems as the company increases throughput. The restart of the refinery is expected to relieve supply pressure of diesel and gasoline at some of the smaller terminals in the region supplied by the Magellan Pipeline which depends on the Coffeyville facility as a key supplier.

<http://www.coffeyvillegroup.com/pdfs/2007-08-17CRRefineryUpdate.pdf>

Reuters, 14:03 August 17, 2007

Reuters, 13:01 August 17, 2007

Bloomberg News, 13:16 August 17, 2007

## Electricity

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### **Thunderstorm Knocks Out Power to 71,000 Dominion Power Customers in Virginia August 17**

A slow moving thunderstorm passed through central Virginia causing major outages to customers in the Richmond/Tri Cities area. As of 17:39 August 17, Dominion reported 32,199 customers still without power.

<http://www.inrich.com/cva/ric/news.apx.-content-articles-RTD-2007-08-17-0223.html>

[http://www.dom.com/news/outage\\_sos.jsp](http://www.dom.com/news/outage_sos.jsp)

### **Update: Power Still Out to 33,000 NIPSCO Customers in Indiana August 17**

Wind speeds approaching 120 mph knocked out numerous power lines causing outages to 100,000 Northern Indiana Public Service Company (NIPSCO) customers on August 15. About 33,000 customers were reported to be without power by the evening of August 16. NIPSCO representatives said that some customers could be without power until August 20.

[http://www.thetimesonline.com/articles/2007/08/16/updates/breaking\\_news/doc46c445bd91fc5061876455.txt](http://www.thetimesonline.com/articles/2007/08/16/updates/breaking_news/doc46c445bd91fc5061876455.txt)

[http://www.thetimesonline.com/articles/2007/08/17/news/top\\_news/docfa4aa56a76140bb78625733a00142a70.txt](http://www.thetimesonline.com/articles/2007/08/17/news/top_news/docfa4aa56a76140bb78625733a00142a70.txt)

### **Update: Tropical Storm Erin Knocks Out Power to 20,000 CenterPoint Energy Customers in Texas August 16**

The tropical storm caused flash flooding and high winds that left many without power in the Houston area.

<http://www.earthtimes.org/articles/show/94824.html#>

### **Update: TVA Shuts Unit 2, Further Reduces Units 1 and 3 at Browns Ferry Nuke Plant in Alabama August 17**

TVA has shut Unit 2 and has reduced Units 1 and 3 to 75 percent of capacity in order to maintain water temperature limits on the Tennessee River. Each unit has a capacity of 1,155 MW. TVA uses water from River as a coolant at the plant. This is the first time that TVA has shut a nuclear unit because of water temperature concerns. Yesterday, Unit 2 was operating at 74 percent of capacity and Units 1 and 3 were at 85 percent of capacity.

Bloomberg News, 11:23 August 17, 2007

### **Constellation's 1,135 MW Nine Mile Nuke Unit 2 in New York Reduced August 17**

According to a report from Reuters, the company has reduced the unit to 63 percent of capacity and holding to reposition control rods and undertake unspecified repairs.

Reuters, 13:36 August 17, 2007

Reuters, 14:30 August 17, 2007

### **Update: Exelon's 1,172 MW Limerick Nuke Unit 1 in Pennsylvania Ramping Up August 17**

The unit was taken off-line so that a problem in the switchyard could be addressed. Exelon reports that the unit has reconnected to the grid and had ramped up to 22 of capacity by early morning August 17.

Bloomberg News, August 17, 2007

### **OPG's 515 MW Pickering Nuke Unit 8 in Ontario Shut August 16**

Reuters, 18:43 August 17, 2007

### **Constellation's 643 MW Brandon Shores Coal-fired Unit 1 in Maryland Shut August 15**

Reuters, 18:43 August 17, 2007

### **Constellation's 643 MW Brandon Shores Coal-fired Unit 2 in Maryland Shut August 15**

Reuters, 18:43 August 17, 2007

### **Constellation's 210 MW High Desert Gas-fired Unit 2 in California Shut August 16**

Reuters, 18:43 August 17, 2007

### **Update: Bruce Power's 822 MW Bruce Nuke Unit 6 in Ontario Seen Back Soon**

The company expects the unit to return to service soon. The unit shut on August 16 to work on the heat transport system.

Reuters, 09:16 August 17, 2007

### **FRCC Warns of Florida's Potential Overdependence on Gas-fired Electricity Production**

Florida Reliability Coordinating Council President Sarah Rogers expressed worry regarding the negative sentiment toward coal-fired electricity production. The cancelling of several potential coal-fired plants could lead to overdependence on natural gas for the production of electricity.

<http://www.platts.com/Electric%20Power/News/6429309.xml?p=Electric%20Power/News&sub=Electric%20Power>

## **Minnesota, Dakota Utilities Seek Approval for Three Transmission Projects**

CapX 2020, an alliance of 11 utilities, is asking the Minnesota Public Utilities Commission to determine whether three proposed 345 kV transmission lines are needed. The proposed projects include a 200-mile, 345 kV line between Brookings, South Dakota and the Twin Cities, a related 345 kV line between Marshall, Minnesota, and Granite Falls, Minnesota; a 250-mile, 345 kV line between Fargo, North Dakota, and Alexandria, St. Cloud and Monticello, Minnesota; and a 150-mile, 345 kV line between the Twin Cities, Rochester, Minnesota and La Crosse, Wisconsin.

<http://www.capx2020.com/Newsroom/CapX2020CON8074.pdf>

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## **Petroleum**

### **2 Platforms, 1 Rig Evacuated in Gulf as Hurricane Dean Approaches August 17 - MMS**

According to the U.S. National Hurricane Center, Hurricane Dean could strengthen to a Category 4 storm over the next 24 hours and is currently expected to hit the northeastern tip of the Yucatan Peninsula in Mexico before entering the Gulf of Mexico. Based on data from offshore operator reports submitted as of 11:30 a.m. CST today, the U.S. Minerals Management Service (MMS) reports personnel have been evacuated from a total of 2 production platforms, equivalent to 0.2 percent of the 834 manned platforms in the Gulf of Mexico. Personnel from 1 rig have also been evacuated; this is equivalent to 1 percent of the 102 rigs currently operating in the Gulf. From the operators' reports, MMS estimates that approximately 0.17 percent of the oil production in the Gulf has been shut-in, roughly 2,163 barrels b/d, and approximately 0.1 percent of the natural gas production in the Gulf has been shut-in, roughly 8 MMcf/d. Separately Shell, Murphy Oil and Transocean have reported evacuating nonessential workers from the Gulf. The Hovensa refinery in the U.S. Virgin Islands is operating normally at present, but the Islands are under a tropical storm watch. More evacuations are expected over the next two days as the storm nears.

<http://www.mms.gov/ooc/press/2007/press0817.htm>

Reuters, 10:26 August 17, 2007

Reuters, 11:23 August 17, 2007

Reuters, 11:14 August 17, 2007

### **Coker Problem Cuts Gasoline, Diesel Production at Valero's 325,000 b/d Port Arthur, Texas Refinery August 16**

According to Valero, a "breakdown" in the delivery system to the 105,000 b/d Coker Unit will cause a disruption amounting to 70,000 b/d of gasoline and 50,000 b/d of distillate. A Valero spokesperson predicted that the outage would continue until the middle of next week.

<http://www.platts.com/Oil/News/6429243.xml?p=Oil/News&sub=Oil>

<http://www.washingtonpost.com/wp-dyn/content/article/2007/08/17/AR2007081700446.html>

### **SRU Shut at Total's 232,000 b/d Port Arthur, Texas Refinery August 15**

According to the report filed with state regulators, the Sulfur Recovery Unit 3 developed a hole leading Total to shut the unit down.

<http://www2.tceq.state.tx.us/eer/main/index.cfm?fuseaction=getDetails&target=96033>

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## **Natural Gas**

Nothing to report.

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## **Other News**

### **Update: Search for Trapped Utah Miners Suspended After 3 Rescuers Killed August 17**

The underground search to find and rescue six trapped miners at the Crandall Canyon Mine in Utah was suspended indefinitely August 17 after a cave-in killed three rescuers and injured six others. Richard Stickler, head of the U.S. Mine Safety and Health Administration, said mine-safety experts were being summoned to central Utah to discuss the crisis.

<http://www.chron.com/disp/story.mpl/ap/nation/5063622.html>

## Sustainable Power Completes Phase 1 of Biodiesel Facility Expansion Project in Texas

Sustainable Power Corp. announced August 17 that it has completed Phase One of the Agri Max Fuels, LLC, rebuild and expansion project in Houston, Texas. Sustainable Power Corp. had previously agreed to expand the biodiesel facility and focus on blending ethanol, biodiesel and diesel. The first phase included acquiring 50 times the previous land area, the purchase of additional tanks, additional equipment, and 100 tons of feedstock. The company will now be producing conventional and OD-66 oxygenated biodiesel.

Reuters, 09:30 August 17, 2007

## Energy Prices

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U.S. Oil and Gas Prices			
August 17, 2007			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	72.02	71.50	70.00
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	7.14	6.57	6.73

Source: Reuters

## Energy Notes

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### Storms Knock Out Power to 24,000 Louisville Gas & Electric and Kentucky Utility Customers in Kentucky August 16

<http://www.whas11.com/topstories/stories/081707whasmjdTopThunderboomers.422902ff.html#>  
<http://www.courier-journal.com/apps/pbcs.dll/article?AID=/20070817/NEWS01/70817011/1008>

### Thunderstorms Knock Out Power to 18,000 CVPS Customers in Vermont August 16

<http://www.timesargus.com/apps/pbcs.dll/article?AID=/20070817/THISJUSTIN/70817001>

### Substation Breaker Causes 11,000 Alcoa Electric and City of Maryville Customers to Lose Power for One Hour in Tennessee August 17

<http://www.wate.com/global/story.asp?s=6946914>

### Safe Energy Harbor's Regulatory Application Deemed Completed for Proposed Man-Made Island for LNG Terminal Project Off Long Island, New York August 17

Reuters, 13:12 August 17, 2007

### Update: Judges Approve Proposed 630 MW Coal-fired Power Plant in Minnesota

<http://www.startribune.com/535/story/1365071.html>

### First Crude from New Zealand Off-shore Tui Area Project Heads to Refineries

<http://www.downstreamtoday.com/News/ArticlePrint.aspx?aid=5499>

## 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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