



ENERGY ASSURANCE DAILY

Monday Evening, August 27, 2007

Electricity

Update: Midwest Utilities Expect Full Service Restoration by Evening August 27

As of August 27 at 6 a.m. CST, 7,700 **Commonwealth Edison (Com Ed)** customers in Illinois were still without power, mostly in Chicago's North Suburbs, following thunderstorms which ravaged the region last week. A total of 615,000 Com Ed customers lost electricity at one time or another from the storm. Approximately 310,000 customers were simultaneously without power at the storm's height on the evening of August 23. Com Ed expects to restore service to 99 percent of customers by evening August 27. As of August 27 at 11:00 a.m. CST, approximately 3,800 **Consumers Energy** electric customers in Michigan remain without power, all of them in Kalamazoo County. Since August 22 evening, more than 300,000 Consumers Energy customers in Michigan have been affected by weather-related outages. The utility expects all customers remaining without electric service to be restored by evening August 27. However, additional thunderstorm and wind activity may extend restoration times. As of midday August 27, **Detroit Edison (DTE)** reported 1,000 customers without power in the Detroit, Michigan area. Since August 22, approximately 127,000 DTE customers have been affected by power outages. DTE expects full restoration by evening August 27. **Ameren** in Illinois and **Indiana Michigan Power (AEP)** reported minor outages in their service territories on August 27.

<http://www.consumersenergy.com/welcome.htm?/Newsroom/Newsindex.asp>

<http://www.wbbm780.com/pages/865427.php?contentType=4&contentId=846193>

<http://www.mlive.com/newsflash/michigan/index.ssf?/base/news-46/1188234614103090.xml&storylist=newsmichigan>

Thunderstorm Knocks Out Power to More than 90,000 Customers in Maryland, Virginia, and D.C. August 25

A severe thunderstorm swept through the Washington, D.C. metropolitan area during the evening of August 25, knocking out power to more than 90,000 customers. Most of the outages were in Maryland where as many as 71,500 customers lost power. In Northern Virginia, **Dominion Virginia Power** reported that 14,000 customers lost power, while **Pepco** reported that 6,000 customers lost power in the District of Columbia. In Maryland, **Baltimore Gas and Electric (BGE)** reported that some 45,000 of its customers lost power. In addition, **Allegheny Power** had some 9,000 outages and **Delmarva Power** approximately 4,000.

http://www.washingtonpost.com/wp-dyn/content/article/2007/08/25/AR2007082501457_pf.html

<http://www.wmdt.com/wires/displaystory.asp?id=65093067>

<http://www.baltimoresun.com/news/local/bal-md.storm26aug26.0.7515952.story>

Overnight Thunderstorm Leaves More than 55,000 Customers without Power in New York State August 26

By morning August 26, more than 55,000 customers in upstate New York remained without electricity following a fierce storm that swept through the area late on August 25.

http://www.northcountrygazette.org/news/2007/08/25/power_out/

<http://www.capitalnews9.com/content/headlines/?ArID=219281&SecID=33>

Update: Exelon's 1,152 MW Braidwood Nuke Unit 2 in Illinois Ramps Up to 87 Percent August 27

The unit exited an outage and returned to 87 percent of capacity by early August 27. The unit was manually tripped on the evening of August 23 after two circulating water pumps tripped offline. It is unclear whether thunderstorms affecting the area at the time were responsible for the shutdown.

Reuters, 07:26 August 27, 2007

Update: TVA's 1,155 MW Browns Ferry Nuke Unit 1 in Alabama Returns to Full Power August 27

The unit returned to full power by early August 27. The unit was operating at 50 percent of capacity on August 24. Last week TVA reduced Unit 1, as well as Units 2 and 3, in order to maintain water temperature limits on the Tennessee River, which the power plant uses for cooling.

Reuters, 07:21 August 27, 2007

Update: Entergy's 852 MW FitzPatrick Nuke Unit in New York Returns to Full Power August 27

The unit returned to full power, up from 74 percent on August 24, following work on one of its safety relief valve pilots.

Reuters, 07:12 August 27, 2007

Update: Bruce Power's 822 MW Bruce B Nuke Unit 6 in Ontario Restarts August 24

The unit restarted on August 24 after an outage begun August 16 to work on the unit's heat transport system.

<http://www.brucepower.com/pagecontent.aspx?navuid=1211&dtuid=83548>

AES's 498 MW Alamos Gas-fired Unit in California Shut August 26

Reuters, 12:30 August 27, 2007

SCE's 287 MW Big Creek Hydro Unit in California Shut August 26

Reuters, 12:30 August 27, 2007

NRG's 335 MW El Segundo Gas-fired Unit in California Shut August 25

Reuters, 12:30 August 27, 2007

Petroleum

Update: Mexico Restores 81 Percent of Campeche Sound Oil Production August 24

Mexico's state-owned oil company Pemex said as of late August 24, it had restored 81 percent of its crude oil production from the Campeche Sound in the southern Gulf of Mexico. The company reached daily production of 2.136 million b/d, three days earlier than originally expected. Oil production facilities were battered by Hurricane Dean last week, forcing the company to shut 2.65 million b/d of crude oil production in the region. Pemex has returned 10,000 of the 18,000 workers evacuated from offshore platforms and is working to return to 100 percent of production over the next few days.

<http://www.pemex.com/index.cfm?action=content§ionid=8&catid=40&contentid=16125>

Pride International Reports No Damage to Mexican-based Rigs Following Hurricane Dean

Pride International, Inc. reported on August 27 that it found no damage to its fleet of 12 jackup and three platform rigs operating in the Mexican waters of the Gulf of Mexico and in the path of Hurricane Dean. All Pride personnel were safely evacuated before the arrival of the storm, and the company has reboarded start-up crews. Operations on each rig are expected to resume early this week.

<http://ir.prideinternational.com/phoenix.zhtml?c=72166&p=irol-newsArticle&ID=1045097&highlight=>

Update: Chevron Says it Expects to Cut Some Crude Oil Purchases Following Fire at 330,000 b/d Pascagoula, Mississippi Refinery

On August 24, a Chevron spokeswoman told Reuters that the company expects that some crude oil shipments to the Pascagoula refinery to be canceled or rerouted to other refineries in the company's global network. The company is still working to assess damage from the fire, which shut one of two crude processing units on August 16, and has not set a timeframe for restart. The crude unit can process 160,000 b/d. Earlier on August 24, traders told Reuters that the refinery was expected to run at 50 percent of capacity for three to four months.

Reuters, 17:26 August 24, 2007

Rates Cut to FCCU at Citgo's 156,000 b/d Corpus Christi, Texas Refinery August 24 – Traders

Traders have informed Reuters that Citgo cut rates to the fluidic catalytic cracking unit (FCCU) on August 24 due to a problem with the alkylation unit. The unit is has a capacity of 81,800 b/d according to EIA data.

Reuters, 09:54 August 27, 2007

Update: FCCU Returns to Full Rates at Alon's 67,000 b/d Big Spring, Texas Refinery August 27

Alon USA said on August 27 that its 22,500 b/d fluid catalytic cracking unit (FCCU) was operating at full capacity after restarting over the weekend following a brief outage. The FCCU shut early on August 24 after an electrostatic precipitator malfunctioned.

Reuters, 08:54 August 24, 2007

Update: Coker Still at Reduced Rates at Valero's 260,000 b/d Port Arthur, Texas Refinery August 27 - Traders

Valero Energy said that the refinery's 105,000 b/d coking unit is still operating at reduced rates with no estimated schedule for returning to full capacity. Trade sources say the unit is operating at about 80,000 b/d while the crude handling system is fixed. Originally the unit was expected to operate at 50,000 b/d during the work. One of two crude distillation units (CDUs) was shut down because of the coker problems. It is unclear whether this unit has been restarted.

Reuters, 10:27 August 27, 2007

Compressor Trips at Valero's 260,000 b/d Port Arthur, Texas Refinery August 25

According to a report filed with Texas regulators, flaring occurred when a wet gas compressor tripped. The incident lasted approximately one half hour.

<http://www2.tceq.state.tx.us/eer/main/index.cfm?fuseaction=getDetails&target=96544>

Brief SRU Upset Reported at Delek's 58,000 b/d Tyler, Texas Refinery August 24

According to a report filed with state regulators, a blower surge resulted in an upset affecting sulfur recovery units at the refinery. The incident lasted approximately for a half an hour.

<http://www2.tceq.state.tx.us/eer/main/index.cfm?fuseaction=getDetails&target=96530>

Power Supply Problem at Hydrofining Unit Causes Flaring at ExxonMobil's 586,000 b/d Baytown, Texas Refinery August 23

Bloomberg News, 12:12 August 26, 2007

Murphy to Shut Crude Unit at its 343,000 b/d Superior, Wisconsin Refinery September 15 – Traders

Traders have informed Reuters that Murphy Oil will shut a 35,000 b/d crude distillation unit (CDU) for repairs on September 15.

Reuters, 10:15 August 27, 2007

Bloomberg Survey Sees Further Drop in Gasoline Supplies

According to a survey conducted by Bloomberg News, inventories of gasoline in the U.S. appear likely to have declined for the fourth consecutive week pressured by high demand and slow production. From its survey of industry analysts, Bloomberg estimates that stocks fell by 2.3 million bbls for the week ending August 24.

Bloomberg News, 11:37 August 27, 2007

Eni Ordered by Kazakh Government to Stop Work on Giant Kashagan Oil Field

The government of Kazakhstan has ordered Eni SpA to stop development work on the super giant oil field for a period of at least three months citing environmental violations. Eni was also enjoined from continuing work on a refinery because of accusations of safety violations. The Kashagan project is thought to contain 12 billion bbls of crude oil, the largest discovery during the past 30 years. Bloomberg reports that last week the Kazakh government demanded that Eni turn over a larger share of the profits from Kashagan or risk losing control of the venture.

Bloomberg News, 09:53 August 27, 2007

Natural Gas

Questar Pipeline, Enterprise Agree to Develop 2.5 Bcf/d White River Hub in Colorado

Questar Pipeline Company and an affiliate of Enterprise Products Partners L.P. have entered into a Memorandum of Understanding (MOU) to develop a new natural gas pipeline hub in the Rockies. As proposed, the White River Hub would be a header system that will connect Enterprise's natural gas processing complex near Meeker, Colorado, with up to six interstate pipelines in the Piceance Basin area, including Questar Pipeline. As initially designed, the 30-inch hub pipeline would have the capacity to transport more than 2.5 Bcf/d and would provide hub-related services for natural gas producers, marketers and purchasers in the area.

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

Environmental Concerns Lead BLM to Review of Drilling Plans for Thousands of Wells in Colorado

As part of a review of plans to drill up to 3,000 new natural gas wells in Colorado, the Bureau of Land Management (BLM) and the Environmental Protection Agency (EPA) are jointly working on an air quality study. The study came about because of concerns that additional data were needed to determine the potential air quality impacts from the proposed plan. The final report scheduled for release in November will be delayed as a result of the review.

<http://www.summitdaily.com/article/20070824/NEWS/108240081>

<http://kjct8.com/Global/story.asp?S=6980120>

Other News

Barge Traffic Halted by Flood Waters on 60 Mile Stretch of Illinois River

A 60 mile stretch of the upper Illinois River has been closed to barge traffic due to the river being at flood-stage north of Ottawa, Illinois. Water levels are too high to allow for the passage of vessels under bridges. According to traders and barge operators in the area, despite the fact that water levels are beginning to recede, traffic in the area is not moving. According to a representative of the Army Corps of Engineers, two of three locks that were also closed because of the high water level have been reopened.

Reuters, 11:17 August 27, 2007

Energy Prices

U.S. Oil and Gas Prices			
August 27, 2007			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S. \$/Barrel	71.98	71.72	72.43
NATURAL GAS			
Henry Hub \$/Million Btu	5.34	6.47	7.48

Source: Reuters

Energy Notes

Theft of Copper Wire Leaves 20,000 without Power in San Juan, Puerto Rico August 24

http://www.journalnow.com/servlet/Satellite?pagename=WSJ%2FMGArticle%2FWSJ_BasicArticle&c=MGArticle&cid=1173352505078&path=!nationworld&s=1037645509161

U.S. Appeals Court Panel Affirms Air Permit for Proposed 1,600 MW Prairie State Coal-fired Power Plant in Illinois

<http://phx.corporate-ir.net/phoenix.zhtml?c=129849&p=irol-newsArticle&ID=1045028&highlight=>

Update: Marathon to Decide in Fourth Quarter on Detroit, Michigan Refinery Upgrade
Bloomberg News, 11:49 August 27, 2007

Fire Extinguished at Chemical Storage Depot at Jebel Ali Oil Port in UAE August 27
Reuters, 06:30 August 27, 2007

**As Margins Slip, Financing Becomes More Difficult for New Ethanol Plants
Many Plants in Planning Stages Unlikely to be Built - Analysts**
Bloomberg News, 13:14 August 27, 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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<http://www.oe.netl.doe.gov/index.aspx>.

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