



# ENERGY ASSURANCE DAILY

Thursday Evening, September 04, 2008

## Major Developments

### Update: 954,927 Remain Without Power in Gulf Coast as Gustav Passes September 4

The customers remaining without power in the Gulf Coast due to Hurricane Gustav is now 954,927, down from a peak of about 1.8 million customers. For more detailed information, visit the OE's most recent situation report at: [http://www.oe.netl.doe.gov/docs/SitRep\\_7\\_Gustav\\_90408\\_3pm\\_v\\_1.pdf](http://www.oe.netl.doe.gov/docs/SitRep_7_Gustav_90408_3pm_v_1.pdf)

U.S. Gulf Coast Power Outages			
September 1-4, 2008			
Electric Utility	State	Peak	Latest Reported
Entergy	AR	90,616	56,055
First Electric Cooperative	AR	18,000	4,800
Entergy	LA	787,180	595,064
Cleco Power	LA	246,092	116,563
SELMCO	LA	85,258	28,578
Beauregard Electric	LA	38,000	1,000
Lafayette Utilities System	LA	28,000	28,000
DEMCO	LA	94,000	74,004
SLECA	LA	20,402	18,778
AEP-SWEPCO	LA/AR	12,000	4,053
Entergy	MS	62,820	9,032
Electric Power Associations	MS	300,000	19,000
Mississippi Power	MS	22,000	0
<b>TOTAL*</b>		<b>1,804,368</b>	<b>954,927</b>

\*Total outages only represent electric utilities listed in this table.

Sources:

<http://www.cleco.com/site.php>

<http://www.slemco.com/emergency-Gustav.html>

<http://www.lus.org/site.php?pageID=108&newsID=526>

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

<http://www.swepco.com/news/outages/>

<http://demco.maps.sienatech.com/>

[http://www.firstelectric.coop/files/pdfs/news\\_release/fecce\\_outage\\_release\\_9408\\_8\\_am.pdf](http://www.firstelectric.coop/files/pdfs/news_release/fecce_outage_release_9408_8_am.pdf)

<http://www.leesvilledailyleader.com/news/x359567393/Gustav-s-Aftermath>

<http://www.clarionledger.com/apps/pbcs.dll/article?AID=/20080904/NEWS0110/80904005/1001/NEWS>

### Gulf Coast Refineries Begin Restart Following Hurricane Gustav

Marathon restarted its 245,000 b/d Garyville, Louisiana refinery September 3. Valero was able to restart its boilers after electricity was restored at its 185,000 b/d St. Charles, Louisiana refinery. ExxonMobil's 193,000 b/d Chalmette, Louisiana refinery has suffered no major damage, but there has been no set restart date. ExxonMobil is continuing to assess damage to its 503,000 Baton Rouge refinery in Louisiana. Murphy Oil has found no damage to its 120,000 Meraux, Louisiana refinery.

<http://www.reuters.com/article/rbssEnergyNews/idUSN0331772420080903>

Bloomberg News, 15:30 September 4, 2008

Reuters, 08:59 September 4, 2008

Reuters, 18:05 September 3, 2008

## **Companies Prepare to Restart Offshore Oil and Natural Gas Production in Gulf of Mexico September 4**

The Mineral Management Service (MMS) reported that 95.2% of Gulf oil production remains shut-in from current oil production of 1.3 million barrels per day. MMS also estimates that 87.5% of natural gas production remains shut-in from an estimated 7.4 Bcf/d. Shell has redeployed 200 personnel at its Gulf of Mexico facilities to begin the restart process. Shell expects full restart of its offshore production to take three to five days. Total has sent teams to platforms in the Gulf with hopes to restart production by September 5. Marathon discovered minimal damage at one of its platforms after conducting inspections, but a company spokesperson stated that the initial assessments indicated the damage would not hinder the platform's return to production.

<http://www.reuters.com/article/marketsNews/idUSN0348370020080903>

[http://www.shell.us/home/content/usa/aboutshell/media\\_center/hurricane\\_center/storm\\_updates/2008/gustav/gustav\\_32\\_090308.html](http://www.shell.us/home/content/usa/aboutshell/media_center/hurricane_center/storm_updates/2008/gustav/gustav_32_090308.html)

<http://www.mms.gov/ooc/press/2008/press0904.htm>

Reuters, 11:27 September 4, 2008

Reuters, 18:59 September 3, 2008

Bloomberg News, 9:00 September 4, 2008

## **Update: Mississippi River Reopens to Vessel Traffic with Restrictions and Other Reports Partial Restarts**

The Mississippi River has reopened to vessels with a draft of 30 feet or less after being closed in/around the Port of New Orleans due to Hurricane Gustav. Deep draft vessels must get permission from the U.S. Coast Guard for entry. The U.S. Coast Guard has reopened the river from mile marker 303 to mile marker 20 to all vessels regardless of draft. The Gulf Intracoastal Waterway is open from mile marker 44, east of the Harvey Locks, to mile marker 191, west of the Harvey Locks. The Morgan City-Port Allen alternate route is open. The Lake Charles port is open to all vessels with drafts less than 33 feet.

[http://www.oe.netl.doe.gov/docs/SitRep\\_7\\_Gustav\\_90408\\_3pm\\_v\\_2.pdf](http://www.oe.netl.doe.gov/docs/SitRep_7_Gustav_90408_3pm_v_2.pdf)

<http://www.d8externalaffairs.com/go/page/425/25403/>

<http://www.d8externalaffairs.com/go/page/425/23444/>

[http://www.nola.com/hurricane/index.ssf/2008/09/mississippi\\_river\\_reopens\\_with.html](http://www.nola.com/hurricane/index.ssf/2008/09/mississippi_river_reopens_with.html)

Reuters, 11:12 September 4, 2008

## ***Electricity***

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### **Enmax's 250 MW Calgary Gas-fired Unit in Alberta Shut September 3**

Reuters, 8:52 September 4, 2008

### **Update: Progress Energy's 811 MW Brunswick Nuke Unit 2 in North Carolina Ramped Up to 20 Percent by September 4**

The Nuclear Regulatory Commission reported that on the morning of September 3 the unit was operating at 20 percent.

Information derived from the NRC Power Reactor Status Reports:

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

### **Update: AES's 496 MW Redondo Gas-fired Unit 8 in California Returns to Service by September 3**

According to the California Independent System Operator, the unit experienced an unplanned outage on September 2.

<http://www.caiso.com/unitstatus/data/unitstatus200809031515.html>

### **Developers Plan More Than 1,800 MW of New Power Generation in West Virginia**

Developers propose an additional 1,855 MW of new generation in the state. Longview Power is proposing the biggest project, the 695 MW Longview coal-fired power plant. A 560 MW coal gasification combined cycle plant is being proposed by Appalachian Power Company next to the existing Mountaineer Power Station.

Market Wire, 08:00 September 4, 2008

## **TVA to Reclaim Plant Security at its Nuclear Plants in Alabama and Tennessee**

Tennessee Valley Authority (TVA) has been contracting out security duties for 11 years at its three nuclear plants from Pinkerton Government Services. TVA has three nuclear power plants, Browns Ferry in Alabama, and Watts Bar and Sequoyah in Tennessee.

<http://www.al.com/business/huntsvilletimes/index.ssf?/base/business/1220433315248220.xml&coll=1>

## **Petroleum**

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### **Marathon Requests Crude from Strategic Petroleum Reserve to Supply Refineries Citgo Withdraws Previous Request of 250,000 Bbls**

Marathon has requested crude from the Strategic Petroleum Reserve because of the disruption in supply from Hurricane Gustav for its 222,000 b/d Catlettsburg, Kentucky refinery and its 192,000 b/d Robinson, Illinois refinery. Citgo had previously requested 250,000 barrels of oil but has since withdrawn its request. Marathon and Citgo are the only two companies that have made requests for emergency crude oil due to Hurricane Gustav.

<http://www.reuters.com/article/rbssEnergyNews/idUSN0439157320080904>

### **Update: LOOP to Resume Crude Deliveries to Coastal Refineries by September 4**

According to a company spokesman, the Louisiana Offshore Oil Port (LOOP) suffered no visible damage offshore and has begun to restore deliveries. LOOP halted operations in advance of Hurricane Gustav. The LOOP remains without power from Entergy, but has begun to use generators to restart operations.

<http://www.reuters.com/article/rbssEnergyNews/idUSN0331735120080903>

[http://www.oe.netl.doe.gov/docs/SitRep\\_7\\_Gustav\\_90408\\_3pm\\_v\\_2.pdf](http://www.oe.netl.doe.gov/docs/SitRep_7_Gustav_90408_3pm_v_2.pdf)

### **Valero Restarts FCCU at its 135,000 b/d Wilmington, California Refinery September 3**

The unit was shut on September 2 to repair a mechanical problem with a pump. It was restarted yesterday and is moving towards normal operating rates.

Bloomberg News, 13:29 September 4, 2008

## **Natural Gas**

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### **FERC Issues Certificate for 8 Bcf Florida Gas Storage Project**

FERC has approved Floridian Natural Gas Storage's request to build an 8 Bcf LNG storage facility in Florida. They anticipate 4 Bcf of storage capacity to be available in 2011, and a full 8 Bcf of storage capacity in 2016.

<http://www.platts.com/Electric%20Power/News/6946728.xml?p=Electric%20Power/News&sub=Electric%20Power>

## **Other News**

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Nothing to Report.

## **Energy Prices**

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<b>U.S. Oil and Gas Prices</b>			
September 4, 2008			
	<b>Today</b>	<b>Week Ago</b>	<b>Year Ago</b>
<b>CRUDE OIL</b>			
<b>West Texas Intermediate U.S.</b>	107.58	115.72	75.07
\$/Barrel			
<b>NATURAL GAS</b>			
<b>Henry Hub</b>	7.26	8.54	5.30
\$/Million Btu			

Source: Reuters

## Energy Notes

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### Equipment Failure Knocks Out 10,000 Customers in Massachusetts September 2

[http://www.gloucestertimes.com/punews/local\\_story\\_247225631.html?keyword=secondarystory](http://www.gloucestertimes.com/punews/local_story_247225631.html?keyword=secondarystory)

### Ameren Reports 10,108 Customers without Power in Illinois September 4

September 4, 2008 14:10 ET, <https://www2.ameren.com/outagemap/default.aspx?state=IL>

### 24-Inch, 300-Mile Crude Pipeline in Minnesota to Be Complete and Operational in October

<http://www.hutchinsonleader.com/news/around-mcleod-county/oil-pipeline-expected-start-pumping-october-9709>

### Flaring at Sneed Booster Station in Texas September 3

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=113447>

### Update: Equipment Failure Causes Shutdown at Tilden Gas Plant in Texas September 3

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=113429>

### Flaring at 135 Mcf/d Salt Creek Gas Plant in Texas September 3

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=113431>

### OPEC (Excluding Angola and Ecuador) to Increase Exports by 110,000 b/d to September 20 – Analyst

Reuters, 11:30 September 4, 2008

### Azerbaijan Delays Construction of 20,000 Tonne Crude Pipeline in Georgia due to Recent Military Operations

[http://www.messenger.com.ge/issues/1683\\_september\\_4\\_2008/1683\\_econ\\_two.html](http://www.messenger.com.ge/issues/1683_september_4_2008/1683_econ_two.html)

## 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/ead.aspx>

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