



# ENERGY ASSURANCE DAILY

Wednesday Evening, September 12, 2007

## ***Electricity***

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### **Update: NRG's 836 MW Limestone Coal-fired Unit 1 in Texas Restarted September 11**

The unit was closed last week in order to repair a broken boiler leak tube.

Reuters, 11:35 September 12, 2007

### **Update: Calpine's 273 MW Metcalf Gas-fired Unit in California Fully Restored September 11**

<http://www.caiso.com/unitstatus/data/unitstatus200709111515.html>

### **Update: Reliant's 246 MW Coolwater Gas-fired Unit 4 in California Returned to Full Power September 11**

The unit had idled 120 MW on September 10.

<http://www.caiso.com/unitstatus/data/unitstatus200709111515.html>

### **ATCO's 378 MW Sheerness Coal-fired Unit 1 in Alberta Shut September 11**

Reuters, 08:26 September 12, 2007

### **OPG's 490 MW Nanticoke Coal-fired Unit 1 in Ontario Shut September 12**

Reuters, 13:27 September 12, 2007

## ***Petroleum***

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### **Houston Ship Channel Closed by Approach of Tropical Storm Humberto**

The channel has been closed to both outbound and inbound traffic because of severe weather with the approach of tropical storm Humberto. In addition, OPIS reports that a trade source has indicated that the Sabine Neches ship channel will be closed at 5 p.m. local time. The channels serve a number of large refineries in the area but according to sources quoted by Reuters, industry officials do not foresee any significant impact from the approaching storm with respect of oil facilities in the area.

OPIS, 15:50 September 12, 2007

<http://uk.reuters.com/article/oilRpt/idUKN1226820220070912>

<http://www.reuters.com/article/domesticNews/idUSN1226841220070912>

### **U.S. Crude Oil Supplies Drop to Eight Month Low – EIA**

According to the latest report from the Energy Information Administration, U.S. gasoline supplies fell by 7.1 million bbls to 322.6 million bbls the lowest level in eight months. The EIA also reported that gasoline stocks fell by 700,000 bbls to the lowest level in two years. The low stock levels helped push up prices on both the spot and futures markets despite the decision by OPEC to increase production.

Reuters, 11:11 September 12, 2007

Bloomberg News, 13:12 September 12, 2007

### **Update: Mexican Pipeline Explosion Has Little Effect on U.S. Market**

The series of six explosions on Mexican pipelines carried out by the Popular Revolutionary Army on September 10 will have little effect on U.S. supplies. The attack primarily affected natural gas supplies and could force Pemex to flare as much as 25 percent of the production for the next few days as the lines are repaired. A representative of Pemex told reporters that the lines should be back in service by Monday of next week. Mexico is a net importer of natural gas and according to a story in Oil Daily might need to increase imports as a result of the lost production. Though a crude pipeline was also attacked, crude exports not are affected since crude is transported by ship not pipeline to the U.S. according to the EIA. Reuters reports that Pemex has imported additional supplies of gasoline to help alleviate the situation resulting from the disruption. The group that carried out the attacks vowed to continue attacks until two guerilla leaders were released from custody.

<http://www.dallasnews.com/sharedcontent/dws/news/world/stories/091207dnintpipelinefolo.3d2e95c.html>

<http://www.iht.com/articles/2007/09/10/bloomberg/bxcom.php>

<http://tvnz.co.nz/view/page/536641/1341051>

<http://www.latimes.com/news/nationworld/world/la-fg-guerrillas12sep12.1.7057653.print.story?coll=la-headlines-world&ctrack=1&cset=true>

Oil Daily, September 12, 2007

Bloomberg News, 22:55 September 11, 2007

Reuters, 13:14 September 12, 2007

### **Update: Pressured by Saudi Arabia, OPEC Boosts Output by 500,000 b/d**

Despite objections from several members, OPEC will increase production by 500,000 b/d during the fourth quarter of the year. The Saudis were able to swing the organization to increase supply despite recently expressed objections by Iran, Qatar, Venezuela, Libya and Algeria.

Bloomberg News, 12:08 September 12, 2007

Oil Daily, September 12, 2007

### **Prudhoe Bay Output Drops on Seasonal Maintenance Not Fires – BP**

Output from Prudhoe Bay was measured at 186,000 b/d on September 10 a considerable drop from the 300,000 b/d reported for the beginning of September. BP officials maintained that the drop was the result of seasonal planned maintenance and not from the recent fires.

Reuters, 13:03 September 12, 2007

Reuters, 10:04 September 12, 2007

### **Alaska Officials to Investigate Recent Fires at BP Oil Fields September 11**

State officials discouraged with the four recent fires in one month at BP's U.S. oil-field facilities are launching an investigation into BP Plc's local unit. The incidents include a natural gas release at a gathering center at the Prudhoe Bay field, a generator fire at the Badami field, a turbine compressor fire at a Prudhoe Bay flow station, as well as Monday's flaring event at Lisburne field's production facility.

<http://www.reuters.com/article/bondsNews/idUSN1146443020070912?sp=true>

Bloomberg, 11:16 September 12, 2007

### **Update: Strike at Petro-Canada's Edmonton Refinery in Alberta Could Delay Coking Unit Start-Up beyond Q4 2008**

Senior VP of Petro-Canada's oil sands division expressed concern that the wildcat strikes at Petro-Canada's Edmonton refinery conversion project may delay start-up of the new coker unit beyond the fourth quarter of 2008.

[http://www.downstreamtoday.com/News/Articles/200709/Alberta\\_Strikes\\_Could\\_Slow\\_Refinery\\_Proj\\_5904.aspx](http://www.downstreamtoday.com/News/Articles/200709/Alberta_Strikes_Could_Slow_Refinery_Proj_5904.aspx)

### **GE Completes Upgrade Project to Alliance Pipeline September 11**

The station upgrade project to the Alliance Pipeline will provide fuel efficiencies greater than 40%, greater power output and low emissions says a company spokesperson. The Alliance Pipeline system is based in Calgary, Alberta and it transports roughly 1.6 Bc/f of natural gas from northeastern British Columbia and northwestern Alberta through Saskatchewan, North Dakota, Minnesota, and Iowa to its terminus in Illinois. There are 14 compressor stations located across the 3,700-kilometer mainline system.

[http://www.downstreamtoday.com/News/Articles/200709/GE\\_Completes\\_Alliance\\_Pipeline\\_Station\\_U\\_5916.aspx](http://www.downstreamtoday.com/News/Articles/200709/GE_Completes_Alliance_Pipeline_Station_U_5916.aspx)

### **Valero Reports no Impact on Production from Loss of Power at its 210,000 b/d Delaware City, Delaware Refinery September 11**

The power glitch caused a carbon monoxide boiler to trip but there was no impact on production.

Bloomberg News, 09:18 September 12, 2007

### **Update: Hydrotreater down for Month at BP's 460,000 b/d Refinery in Texas City, Texas**

The unit was shut by a malfunction on September 8 will remain shut while the catalyst is changed.  
Bloomberg News, 13:07 September 11, 2007

### **Valero Shuts Crude Unit at 230,000 b/d Refinery in Aruba September 12 – Trade Source**

The unit was shut for unspecified reasons according to a trader in the area. According to the report, the larger of two crude units was shut and the refinery is operating at 80,000 b/d with restart likely sometime early next week.  
Reuters, 09:27 September 12, 2007

### **PDVSA-CNPC Joint Ventures to Produce 800,000b/d of Oil**

Further boosting their oil ties, President Chávez announced in a statement earlier this week that joint ventures formed by Venezuela's state oil company PDVSA and China National Petroleum Corp will produce 800,000b/d of additional oil. JVs Petrosinovensa and Petrosumano formation for the processing of heavy crude, along with new projects on the Junín 4 and Carabobo blocks in the Orinoco heavy crude belt, will result in the production increases of exports to China to 1Mb/d from approximately 300,000b/d today. PDVSA wants to increase production to 5.8Mb/d by 2012 under the company's Plan Siembra Petrolera goal.

[http://www.rigzone.com/news/article.asp?a\\_id=50040](http://www.rigzone.com/news/article.asp?a_id=50040)

<http://www.chron.com/dispatch/story.mpl/business/5127203.html>

## ***Natural Gas***

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### **Pantheon Resources Reports Start-Up of NG Production at Wilson Field in Texas September 10**

Located on Padre Island, Texas, the Wilson discovery natural gas project has commenced production as of September 10. Pantheon Resources estimates potential recoverable natural gas reserves at up to 20 Bcf.

[http://www.rigzone.com/news/article.asp?a\\_id=50029](http://www.rigzone.com/news/article.asp?a_id=50029)

### **Vector Pipeline L.P. Announces 2009 Plan to Expand Mainline System**

In an announcement made today by a company spokesperson, Vector Pipeline will request permission from FERC to expand its mainline natural gas transmission pipeline for the second time in two years. Citing strong market demand, President Fishbeck plans to expand the pipeline capacity of about 1.2Bc/f up to 1.3Bc/f in 2009 as well as build one additional compressor station. The Vector Pipeline was constructed in 2000 and includes 348 miles of mainline transmission between the Chicago Hub and the storage complex at Dawn, Ontario.

<http://www.vector-pipeline.com/media.asp>

## ***Other News***

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### **U.S. Department of Agriculture Revises Corn Forecast Down by 100 Million Bushels: Cites Ethanol Industry Slowdown**

The U. S. Department of Agriculture has issued an undated forecast for the corn crop for the coming year. The forecast drops estimated demand for corn needed for ethanol production by 100 million bushels. The forecast is based on declining plant utilization rates and a slowdown in the rate of new start-ups.

Reuters, 08:30 September 12, 2007

## Energy Prices

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U.S. Oil and Gas Prices			
September 12, 2007			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	79.91	75.64	64.82
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	6.13	5.80	5.92

Source: Reuters

## Energy Notes

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### **IEA Lowers Oil Demand Forecast for 2008 – Cites Lower U.S. Economic Growth**

Bloomberg News, September 12, 2007

### **Update: Shell to Make Decision by End of 2007 on Whether to Add 315,000 b/d of Capacity at Port Arthur, Texas Refinery**

Reuters, 12:18 September 12, 2007

### **Petrobras to Invest \$5 billion in U.S. Gulf of Mexico Operations 2008 - 2012**

Oil Daily, September 12, 2007

## 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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