



ENERGY ASSURANCE DAILY

Tuesday Evening, September 18, 2007

Major Developments

Storms Knock Out Power to 60 Percent of SaskPower's 440,000 Customers in Saskatchewan September 18

Storms early today shut several transmission lines in the U.S. Midwest shortly after 4:00 a.m. local time. Those outages in turn led to load shedding that shut transmission lines and power stations in Saskatchewan. Some 60 percent of the 440,000 customers of SaskPower lost electricity as a result. By 9:00 a.m., 80 percent of SaskPower's generating capacity had returned to service. A Midwest ISO spokesman said there were no major outages in the United States except for a 345kV line which was down for one hour.

<http://www.cbc.ca/canada/manitoba/story/2007/09/18/power-outage.html?ref=rss>

Reuters, 10:40 September 18, 2007

Bloomberg News, 11:02 September 18, 2007

Federated Co-op's 100,000 b/d Regina Refinery in Saskatchewan Shut September 18

The refinery shut during the power outage that affected much of the province. The outage occurred around 4:30 a.m. did not damage equipment and operations at the refinery are expected to be restored in 24 to 36 hours.

Bloomberg News, 13:04 September 18, 2007

Electricity

AES Begins Construction on 170 MW Expansion at Buffalo Gap Wind Farm in Texas

The expansion will bring the Buffalo Gap Wind Farm capacity up to 524 MW, making it among the largest wind farms in the U.S.

<http://newsroom.aes.com/phoenix.zhtml?c=202639&p=irol-newsArticle&ID=1052640&highlight>

Reuters, 07:16 September 18, 2007

AEP and MidAmerican Announce Second Joint Venture to Construct High Voltage Transmission Lines

The newly announced venture will construct new transmission lines outside of ERCOT, where the two companies are already cooperating. The companies hope to begin the approval process for transmission projects in the first half of 2008.

<http://www.aep.com/newsroom/newsreleases/default.asp?dbcommand=DisplayRelease&ID=1400>

Reuters, 08:44 September 18, 2007

Bloomberg News, 10:25 September 18, 2007

Great River Withdraws from 630 MW Big Stone II Coal Project in South Dakota

Great River Energy withdrew from a consortium planning a coal-fired plant in South Dakota, citing escalating costs, environmental implications, and changing power demand.

Reuters, 13:12 September 18, 2007

Update: OPG's 490 MW Nanticoke Coal-fired Unit 2 in Ontario Returns to Service September 18

Unit 2 was shut on September 17.

Reuters 07:59 September 18, 2007

PG&E's 404 MW Helms Hydro-powered Unit 3 in California Shut September 17

Reuters, 08:12 September 18, 2007

Complete's 260 MW La Paloma Gas-fired Unit 2 in California Shut September 17

Reuters, 08:12 September 18, 2007

Wisconsin Energy's 523 MW Point Beach Nuke Unit in Wisconsin Reduced September 18

Reuters, 12:08 September 18, 2007

Petroleum

ConocoPhillips Reports Flaring at 146,000 b/d Borger Refinery in Texas September 17

Flaring that lasted two and a half hours was caused by a process upset.

<http://www2.tceq.state.tx.us/eer/main/index.cfm?fuseaction=getDetails&target=97542>

Crude Unit at Murphy's 120,000 b/d Meraux, Louisiana Refinery Shut September 16

Bloomberg News, 10:56 September 18, 2007

Total Reports SRU Malfunction at its 240,000 b/d Refinery in Port Arthur, Texas September 17

The malfunction led to a flaring incident.

Bloomberg News, 10:04 September 17, 2007

Update: FCC Unit at ConocoPhillips's 247,000 b/d Sweeny Refinery Restarting September 17

Reuters, 15:52 September 17, 2007

Update: Crude Unit at Murphy's 35,000 b/d Superior, Wisconsin Refinery Restored September 18

The crude unit has been restored after a power disruption caused a shutdown on September 16.

Bloomberg News, 11:32 September 18, 2007

Magellan Midstream Partners Announces Terminal Expansion Plans

The plan includes an addition of 800,000 barrels of storage at its Wilmington, Delaware terminal for gasoline and ethanol. Also included is a 500,000 barrel expansion at its terminal near New Orleans and a 100,000 barrel expansion at its terminal in Chattanooga, Tennessee. The expansions should be completed in 2008.

http://www.magellanlp.com/news/2007/20070918_13.htm

Reuters, 09:29 September 18, 2007

Court Ruling Halts Shell's Plans for Offshore Exploration in Alaska

The 9th U.S. Circuit Court of Appeals banned drilling in the Beaufort Sea indefinitely. The order idled two of Shell's drilling vessels. Shell said that it will not abandon its drilling goals and is urging the court to lift its ban.

http://www.rigzone.com/news/article.asp?a_id=50199

BLM Discontinues Plans for Oil and Gas Extraction in the National Petroleum Reserve in Alaska

The BLM cited the "high level of concern" about the potential impact on the western Arctic caribou herd.

<http://www.platts.com/Natural%20Gas/News/6479565.xml?p=Natural%20Gas/News&sub=Natural%20Gas>

Update: Pemex Expects Full Restoration of Oil and Gas Assets by September 18

http://www.downstreamtoday.com/News/Articles/200709/Pemex_Repairs_Bombed_Pipelines_6001.aspx

EOG Resources Curtails 50 MMcf/d Production in Rocky Mountains Due to Low Prices

Reuters, 12:53 September 18, 2007

Update: El Paso's 780 MMcf/d Cheyenne Plains Pipeline Resumes Partial Flow

El Paso Corp resumed partial shipments of natural gas on its Cheyenne Plains pipeline. The line was shut following a fire at a compressor station on September 16. According to a representative of El Paso, the line is carrying about 390 MMcf/d (about one half of normal capacity) to four delivery points bypassing the damaged station.

http://money.cnn.com/news/newsfeeds/articles/djf500/200709171803DOWJONESDJONLINE000675_FORTUNE5.htm

Bloomberg News, 10:51 September 18, 2007

Chestnut Ridge Storage Launches Open Season for Storage Capacity in Pennsylvania and West Virginia

The company announced a non-binding open season for up to 25 Bcf of new capacity at its proposed Junction Natural Gas Storage Facility in Pennsylvania and West Virginia.

<http://www.jctstorage.com/pdfs/Penn%20Gas%20Storage%20Media%20Release.pdf>

Update: Downeast LNG Temporarily Withdraws Application for Import Terminal in Maine

In withdrawing the application, Downeast LNG contended that the result will allow the Maine Board of Environmental Protection better access to information when it considers the application which the company announced it intends to re-file before the end of the year. Downeast also maintained that the action will not affect the projected timetable of the project.

<http://money.canoe.ca/News/Other/2007/09/15/4499380-cp.html>

Williams Announces Open Season for Transco Pipeline 85 North Expansion

Williams will hold an open season for the Transco Natural Gas Pipeline 85 North Expansion to serve markets in southeast U.S. The expansion will provide new capacities of up to 250,000 Dth/d by 2011.

Reuters, 10:00 September 18, 2007

Other News

U.S. Air Force Seeks Synfuel Powered Fleet By 2011

The Air Force certified the B-52 fighter jet to use synfuel and is seeking to extend synfuel use throughout its fleet by 2011.

http://www.energyintel.com/DocumentDetail.asp?document_id=212059

Department of Agriculture Reports Record Corn Crop

Hot and dry weather during growing season cut into crop yields in some areas but despite the weather, the 2007/08 corn crop is anticipated to hit a record of 13.308 billion bushels.

Reuters, 14:38 September 18, 2007

Energy Prices

U.S. Oil and Gas Prices September 18, 2007			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	81.51	77.92	63.84
NATURAL GAS Henry Hub \$/Million Btu	6.32	5.98	5.02

Source: Reuters

Energy Notes

U.S. LNG Imports Slip as East Asian Demand Grows

<http://uk.reuters.com/article/oilRpt/idUKN1723399520070917>

PPL Retires Two Coal-fired Units at Martins Creek Facility in Pennsylvania

<http://www.timesleader.com/news/ap?articleID=98381>

Puncture in CenterPoint Energy 2-inch Gas Pipeline Causes Explosion in Mississippi

Gas Daily, September 18, 2007

PG&E Shuts Off Power to 13,500 Fresno Customers to Prevent Equipment Overheating in California September 17

<http://www.fresnobee.com/263/story/141600.html>

Update: Sempra Energy Refused Wastewater for Cooling of Proposed 600 MW Gas-fired Plant in Maryland – Could Mean Pipeline Required to Bring Potomac Water to Plant

http://biz.yahoo.com/ap/070917/md_power_plant_potomac.html?v=1

U.S. Coal Supplies Increase as Mild Temperatures in East Decrease Electricity Demand

Reuters, 12:00 September 18, 2007

Update: BP Settles Texas City, Texas Refinery Explosion Case Which Killed 15 and Injured Hundreds

Bloomberg News, 10:08 September 18, 2007

Iraq-Turkey Export Oil Pipeline Explodes in Northern Kirkuk Fields and Baiji Refinery

Bloomberg News, 06:18 September 18, 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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