



ENERGY ASSURANCE DAILY

Thursday Evening, September 20, 2007

Major Developments

595,000 BOEPD Shut in Anticipation of Gathering Storm in Gulf of Mexico

Anadarko, BP, ConocoPhillips, ExxonMobil, Murphy, Shell, and Total evacuated workers from their respective off-shore oil rigs in expectation of a brewing storm in the Gulf of Mexico. According to reports filed with the Mineral Management Service, 360,169 b/d of crude and 1.288 Bcf/d of natural gas were shut-in totaling 27.7 percent of crude and 16.7 percent of natural gas production in the Gulf of Mexico. BP and Shell told reporters that they were shutting down all of their production in the Gulf, whereas Anadarko, ConocoPhillips, ExxonMobil, Murphy and Total reported reductions in production.

<http://www.mms.gov/ooc/press/2007/press0920.htm>

http://investing.reuters.co.uk/news/articleinvesting.aspx?type=allBreakingNews&storyID=2007-09-20T181731Z_01_N20390323_RTRIDST_0_STORM-ENERGY-OUTAGES-UPDATE-5.XML

Reuters, 11:22 September 20, 2007

Reuters, 11:23 September 20, 2007

Electricity

Texas and Mexico to Link Electric Power Grids

A new interconnect between the electric power grids in Texas and Mexico will go into service in October. At present, there are three small interconnects used only for emergencies that can channel power in either direction. ERCOT is testing the new interconnect to determine how to handle commercial power transactions from northern Mexico which has a surplus of electricity. At some time in the future, it is anticipated that power could be needed in Mexico and that the bulk of transactions could be from the U.S. to Mexico.

http://www.dallasnews.com/sharedcontent/dws/bus/stories/DN-texmxelectricity_19bus.ART.State.Edition1.35b5c97.html

Farm Equipment Accident Cuts Power to 69,000 Maritime Electric Customers on Prince Edward Island in Canada September 19

Power was restored to most customers in only about 20 minutes and completely restored within two hours.

<http://www.journalpioneer.com/index.cfm?sid=63716&sc=118>

OG&E and Westar to Build Major Transmission Line to Kansas

As part of the expanded Regional Planning Process under the direction of the Southwest Power Pool, OG&E Electric Services and Westar Energy plan to construct a new 345-kV transmission line from north-central Oklahoma to a substation near Wichita, Kansas. The estimated 40-mile segment to be constructed by OG&E, along with another 40-mile segment of line to be built by Westar Energy, will augment the regional transmission grid serving Kansas and Oklahoma. The expected completion date for the line is late in 2010.

<http://tdworld.com/news/oge-transmission-tie-kansas/>

AES's 226 MW Huntington Beach Gas-fired Unit 1 in California Operating at Reduced Capacity September 19

The unit had been reduced to 116 MW by 3:15 p.m. local time according to a report from the CAISO.

Bloomberg News, 19:12 September 19, 2007

Planned Upgrades to New York Grid to Meet Demand Through 2016

The New York Independent System Operator (NYISO) announced its comprehensive reliability plan designed to meet or exceed the needs of the grid through 2016. Among the major components of the plan are: upgrades to existing infrastructure, the postponing of the retirement of an existing plant, eight new power plants or transmission line projects, and the development of some 1,800 MW of "market-based resources from the 3,007 MW of proposed merchant generation and transmission projects."

Reuters, 18:17 September 19, 2007

NRG Proposes Plan to Repower Encina Power Station in California

NRG Energy announced the first phase of a plan that would modernize the Encina Power Station in Carlsbad, California. Under the plan, the Carlsbad Energy Center would be developed and would replace three older units at the Encina station but increase the overall capacity of the plant by 200 MW.

Reuters, 14:13 September 19, 2007

Update: Wisconsin Energy's 518 MW Point Beach Nuke Unit 2 in Wisconsin Ramps Up to 98 Percent of Capacity September 19

The unit had been operating at reduced capacity since September 18 because of an above normal temperature in a re-fueling water-storage tank.

Bloomberg News, 12:14 September 19, 2007

LS Power's 756 MW Moss Landing Unit 7 Shut in California

<http://www.caiso.com/unitstatus/data/unitstatus200709191515.html>

TXU's 750 MW Monticello Coal-fired Unit 3 in Texas Shut September 20

Reuters, 08:59 September 20, 2007

Reliant's 240 MW Etiwanda Gas-fired Unit 3 in California Shut September 19

Reuters, 08:11 September 20, 2007

TransAlta's 353 MW Sundance Coal-fired Unit 4 in Alberta Shut September 19

Reuters, 08:11 September 20, 2007

TransAlta's 280 MW Sundance Coal-fired Unit 2 in Alberta Shut September 19

Reuters, 18:37 September 19, 2007

Calpine's 250 MW Calgary Gas-fired Unit in Alberta Shut September 19

Reuters, 08:11 September 20, 2007

Petroleum

Power Outage Shuts Holly Corp's 26,000 b/d Woods Cross, Utah Refinery September 18

A safety manager with Holly Corporation announced that the Woods Cross refinery suffered a major power outage on Tuesday September 18 when a crane hit a power line, triggering the outage. Following restoration of power at 11:30 p.m. on the 18th the refinery began restart procedures expected to last through much of the following day.

<http://www.clippertoday.com/default.asp?sourceid=&smenu=1&twindow=&mad=&sdetail=23139&wpage=1&skeyword=&sidate=&ccat=&ccatm=&restate=&restatus=&reoption=&retype=&repmin=&repmax=&rebed=&rebat=&subname=&pform=&sc=1005&hn=clippertoday&he=.com>

http://www.hollycorp.com/refineries_woods.cfm

Bloomberg News, 05:38 September 20, 2007

Reuters, 09:31 September 20, 2007

Cenex to Restart Its 59,000 b/d Laurel, Montana Refinery September 19

The entire plant was down for 10 days for staged utility work and OPIS reports that Cenex will restart its Laurel Montana refinery by week's end, the company has confirmed.

OPIS, 03:49 September 19, 2007

CDU Shut at Murphy's 125,000 b/d Meraux, Louisiana Refinery September 19 - Traders
Traders say Murphy Oil has shut one crude distillation unit at its Meraux refinery on Wednesday for unplanned maintenance. The unit is expected to be down for 48-72 hours.
OPIS, 03:12 September 19, 2007

Update: Oil Production in Mexico Drops in August on Impact from Hurricane Dean

According to the latest data available, the suspension of offshore operations that resulted from Hurricane Dean, caused Mexican crude oil production in August to drop to 2.843 million b/d down from 3.166 million b/d in July.
Reuters, 10:46 September 20, 2007

Update: BP Complains to State of Alaska Saying Some State Oil Production Data in Error

BP has complained to Alaska officials stating that some of the official state data detailing recent oil production problems have been in error and consequently have inflated the magnitude of the problem. Specifically, BP cited information for August 26 indicating a shutdown and reference to a fire on September 10.
Reuters, 10:34 September 20, 2007

Motiva Repairing FCC Unit Damaged by Humberto at its 285,000 b/d Port Arthur, Texas Refinery September 19

In a filing with state regulators, Motiva indicated that flaring would occur during repairs to the FCC unit's waste heat boiler which was damaged during Hurricane Humberto. The company's filing indicated that the flaring is expected to continue through September 29.

Reuters, 08:27 September 20, 2007

Bloomberg News, 20:00 September 19, 2007

Update: Hydrocracking Unit Restarted at Chevron's 260,000 b/d El Segundo, California Refinery September 19

The unit had been shut earlier in the day so that a compressor could be repaired.

Bloomberg News, 15:44 September 19, 2007

Update: Colonial Pipeline Extends Curtailments on Distillate Shipments to October 5

Colonial announced the extension of restrictions on shipments of diesel, heating oil and jet fuel moving from the Gulf Coast to the East Coast because demand for space on the lines continues to exceed space available.

Bloomberg News, 09:59 September 20, 2007

Natural Gas

Storm Threat Leads to Delayed Maintenance on Gulf Southern's Gas Pipeline in Mississippi

Gulf Southern announced that as a result of developing weather conditions in the Gulf of Mexico, it was postponing planned maintenance on portions of its natural gas pipeline in Mississippi until October 2.

Reuters, 11:38 September 20, 2007

Transco Holds Open Season for Natural Gas Mainline Capacity Expansion to Southeast September 19

Transcontinental Gas Pipe Line Corp. is holding an open season to expand its mainline capacity by 250,000 Dth/d. The expansion would include incremental year-round firm capacity on its mainline from the Butler Station 85 pool located in Choctaw County, Alabama, for delivery upstream to the Virginia-North Carolina border.

<http://intelligencepress.com/>

http://www.downstreamtoday.com/News/Articles/200709/Williams_Launches_Open_Season_on_Transco_6021.asp

[x](#)

FERC Approves 36 Bcf Natural Gas Storage Project in Texas September 20

On September 20, the Federal Energy Regulatory Commission approved the NGS Energy Fund Tres Palacios storage project. When completed, the project will have a working capacity of 36 Bcf, be able to receive 1 Bcf/d of gas and have a sendout capacity of 2.5 Bcf/d. The anticipated completion date for the project is during the second quarter of 2008.

Reuters, 11:03 September 20, 2007

FERC Approves Southeast Supply Header Natural Gas Pipeline

On September 20, the Federal Energy Regulatory Commission approved a joint venture pipeline to run from the Perryville Hub in Louisiana to the Gulfstream Natural Gas System near Mobile County in Alabama. The 270 mile line with a capacity of 1 Bcf/d is a joint venture of Centerpoint Energy and Spectra Energy. The line is expected to enter service by the summer of 2008.

Reuters, 10:46 September 20, 2007

FERC Approves El Paso Plan to Double Size of Elba Island LNG Terminal

On September 20, the Federal Energy Regulatory Commission approved a plan by El Paso Corp to increase the size of its Elba Island LNG import terminal in Georgia from 8.4 Bcf to 15.7 Bcf. Under the plan, the sendout capacity would also be increased from 900 million cf/d to 2.1 Bcf/d. In addition, the facility would be expanded to handle larger LNG tankers. The plan calls for the project to be undertaken in two phases to be completed between 2010 and December 2012.

Reuters, 11:45 September 20, 2007

Other News

Progress Energy Idles Production at Synthetic Fuel Facilities September 19

Citing the effects of high oil prices, Progress Energy announced Wednesday that it idled production at its synthetic fuel plants in West Virginia and Kentucky. The company also mentioned that it considers its synthetic fuel operations to be non-core, and that if oil prices decrease significantly; production could resume at the idled facilities.

http://biz.yahoo.com/ap/070919/progress_energy_production.html?v=1&printer=1

Energy Prices

U.S. Oil and Gas Prices			
September 20, 2007			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	83.85	79.86	60.00
NATURAL GAS Henry Hub \$/Million Btu	6.02	6.13	4.87

Source: Reuters

Energy Notes

O&G Drilling Forecast Across Rocky Mountains to Increase By More Than 160% Over 20 Years – Wilderness Society Report

<http://intelligencepress.com/>

Kara Sea Predicted To Contain More Gas than 3.7 Tc/f Barents Sea

http://www.energyintel.com/PublicationHomePage.asp?publication_id=3

Power Outage Knocks Out 19,000 Colorado Springs Utilities Customers in Colorado Springs Colorado September 19

<http://kjct8.com/Global/story.asp?S=7102324>

Update: Approval Nears for PG&E's Proposed 660 MW Colusa California Plant

<http://powermarketers.net/contentinc.net/newsreader.asp?ppa=8knpp%5E%5Cfjnpvuw%5BTnk%27%40%3E%20bfem%5Ev>

Constellation Seeks 158 MW Uprate to 1,205 MW Nine Mile Point Nuke Unit 2 in New York September 19

<http://www.platts.com/Nuclear/News/7652802.xml?p=Nuclear/News&sub=Nuclear>

New York Utility Declares Alert after CO2 Leak at Constellation's 1,205 MW Nine Mile Point Nuke Unit 2 in New York September 19

http://biz.yahoo.com/ap/070919/ny_nuclear_alert.html?.v=1&printer=1

Armed Militants Set 20 Oil Trucks Ablaze On the Fallujah-Samarra Road in Iraq

<http://www.downstreamtoday.com/News/ArticlePrint.aspx?aid=6032>

Low World Sugar Prices Boosting Ethanol Production in Brazil

Reuters, 08:00 September 20, 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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