



ENERGY ASSURANCE DAILY

Thursday Evening, October 25, 2007

Major Developments

Update: California Wildfires

For the latest California Wildfires situation report from the Office of Electricity Delivery and Energy Reliability (OE) of the U.S. Department of Energy, please click on the following link: <http://www.oe.netl.doe.gov/>

Update: San Diego County Major Connection to Electric Grid Restored; Fires Continuing to Burn but Diminishing Winds Aid Fire-Fighting Efforts

California Declares Power-Transmission Emergency for Southern California October 24

Although as many as 10 wild fires continue to burn in Southern California, moderating weather conditions coupled with the massive efforts by fire fighters have helped improve the situation. On Wednesday afternoon, SDG&E averted rolling blackouts only by the timely reconnection to the Southwest Powerlink, a major power transmission corridor from Arizona to San Diego. (Loss of that line coupled with intermittent interruptions on other lines had isolated San Diego, in effect making it an island with the only outside connection a line into Baja Mexico.) Nonetheless, SDG&E is bracing for an increase in demand with the expected return today of tens of thousands of customers to their homes as evacuation orders are lifted. In addition, SDG&E continues to urge customers to conserve since the three major transmission lines running south from the San Onofre nuclear power plant remain out of service due to the fires in the Camp Pendleton area. According to FEMA, many other smaller transmission lines are out as well, leaving the San Diego area "less than normally reliable electric service." Utilities and plant operators in the area have also been concerned about the amount of ash and other particles on lines and equipment that could impede operation. Plants have had to be briefly taken off line at repeated intervals so that lines and other equipment could be thoroughly washed to prevent malfunctions.

Reuters, 13:30 October 25, 2007

Reuters, 18:46 October 24, 2007

Reuters, 11:40 October 25, 2007

<http://www.reuters.com/article/domesticNews/idUSN2454614620071024>

http://www.signonsandiego.com/uniontrib/20071025/news_1b25power.html

<http://www.signonsandiego.com/news/metro/20071025-9999-2n25firemain.html>

http://www.nctimes.com/articles/2007/10/25//news/sandiego/5_00_0710_24_07.txt

Over 24,000 Customers in Southern California Remain Without Power October 25

As of 11:35 EDT on Thursday, there were 24,007 customers reported to be without electricity in fire-ravaged southern California. Of that number, 23,017 were customers of San Diego Gas & Electric and 990 were customers of Southern California Edison. A representative of SDG&E credited the conservation efforts of customers in helping to avoid rolling blackouts at the worst point on October 24.

<http://www.sce.com/Safety/Events/windstorm.htm>

<http://sdge.com/fires/utilityUpdate.shtml>

Electricity

Update: San Onofre Nuke in Southern California on Alert but Fires Not Seen as Threat

Two wild fires are burning near the San Onofre nuclear generating station (SONGS) and inspectors from the NRC crews both from Southern California Edison are onsite monitoring the situation. The fires are not seen as posing a threat to the plant.

<http://www.platts.com/Nuclear/News/6540481.xml?p=Nuclear/News&sub=Nuclear>

Basin Electric Plans 300 MW Gas-fired Plant in South Dakota

Basin Electric Cooperative announced plans to construct a 300 MW gas-fired power plant in east central South Dakota. If approved, Basin anticipates that the Deer Creek Station would be in operation in 2012. The plans call for the plant to be fueled by synthetic natural gas produced at Basin's Great Plains Synfuel Plant.

http://www.kfyrtv.com/News_Stories.asp?news=12219

CP&L's 900 MW Harris Nuke Unit 1 in North Carolina Reduced to 30 Percent October 25

The unit was delayed in ramping up from a refueling and reduced in output so that so that additional water purification could take place. The unit had been operating at 50 percent of capacity on October 24.

Bloomberg News, 10:48 October 25, 2007

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

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2007/20071024ps.html>

PG&E's 407 MW Helms Pumped-hydro Unit 1 Shut in California October 24

According to the California Independent System Operator, the unit was taken off line on Wednesday afternoon for unplanned reasons.

Reuters, 21:49 October 24, 2007

Epcor's 384 MW Genesee Coal-fired Unit 1 in Alberta Shut October 23

Reuters, 08:15 October 25, 2007

ATCO's 378 MW Sheerness Coal-fired Unit 1 in Alberta Shut October 24

Reuters, 08:15 October 25, 2007

TransAlta's 353 MW Sundance Coal-fired Unit 3 in Alberta Shut October 23

Reuters, 08:15 October 25, 2007

Calpine's 250 MW Calgary Gas-fired Unit in Alberta Shut October 25

Reuters, 08:15 October 25, 2007

Calpine's 296 MW Los Medanos Gas-fired Unit in California Shut October 24

Reuters, 21:43 October 24, 2007

222 MW Southbay Gas-fired Unit 4 in California Shut October 24

Reuters, 21:43 October 24, 2007

Sempra's 310 MW Termoelectrica Gas-fired Unit in Mexico Shut October 24

Reuters, 21:43 October 24, 2007

Petroleum

Wildfires Leave Los Angeles Area Refineries Unaffected

All seven of the refineries in the Los Angeles area reported that operations were unaffected by the wildfires in southern California. In addition, the California Energy Commission reported no interruptions to service on any of the pipelines serving the refineries. Refiners indicate that they have no plans to curtail operations even if the fires have a disruptive impact on the products markets. Instead, refiners would place products in storage until the market picked up or in a worst case scenario would export excess products by ship...

Reuters, 13:30 October 25, 2007

Reuters, 18:44 October 24, 2007

Closed Roads Prevent Some Service Stations in San Diego Area from Receiving Supplies

According to the California Energy Commission, some gasoline outlets in the San Diego area have been unable to receive supplies because of roads blocked by the heavy smoke from the wildfires in the area. The CEC reports that other stations in the area have been able to meet demand.

Reuters, 18:44 October 24, 2007

Update: Mexico's Oil Ports Reopening – Pemex Reports at Least 18 Workers Killed During Storm in Gulf of Mexico

Waves up to 26 feet caused a drilling rig to hit a platform damaging equipment, causing leaks which forced an evacuation and leading to the deaths. The storm closed the three principal oil ports in Mexico for the second day. Two of the three ports are being reopened; the oil port of Cayo Arcas will reopen at 18:00 GMT this afternoon and the port of Coatzacoalcos reopened at 13:15 GMT this morning. Earlier, Pemex had indicated that if necessary, shipments would be rescheduled once the weather abates so that U.S. customers would be unaffected by the closings.

Reuters, 09:13 October 25, 2007

Reuters, 13:36 October 25, 2007

Reuters, 22:43 October 24, 2007

Bloomberg News, 02:19 October 25, 2007

http://www.rigzone.com/news/article.asp?a_id=52003

Wood Mackenzie Sees Sharp Increase in World Gasoline Surplus by 2010

Industry analysts Wood Mackenzie see a sharp increase in world gasoline supplies coming by 2010. The company says that the surplus will be driven by the increased ethanol demand in the U.S. which will diminish demand for gasoline imports. The surplus will be particularly acute in Europe which currently exports approximately 1 million b/d of gasoline and gasoline blending components to the U.S.

Reuters, 08:33 October 25, 2007

OPEC Secretary General Sees Markets Well Supplied

Speaking to reporters, OPEC Secretary General Abdullah al-Badri said that geopolitical concerns the value of the U.S. dollar, speculators and refining bottlenecks are responsible for high prices, not a supply problem.

Reuters, 08:44 October 25, 2007

Bloomberg News, 07:22 October 25, 2007

Saudi Arabia to Boost Oil Production by About a Third and Refining Capacity by 86 Percent by 2012

On October 23, Aramco announced plans to invest \$90 billion between now and 2012 to increase both oil production and refinery capacity. The plans call for expanding oil production to 12.2 million b/d, an increase of 2.95 million b/d, and increasing refining capacity to 3.9 million b/d.

http://www.downstreamtoday.com/News/Articles/200710/Saudi_Aramco_to_Nearly_Double_Refining_C_6688.aspx

FCC Unit Restart Problem Reported at Delek's 58,000 b/d Tyler, Texas Refinery October 24

According to a report filed with state regulators, the event occurred during the restart process of the fluid catalytic cracking unit following a power failure

Reuters, 16:32 October 24, 2007

Bloomberg News, 10:12 October 25, 2007

Update: Valero's 275,000 b/d Refinery Operating at Full Capacity in Aruba October 24

According to a statement from the company, the refinery returned to full capacity by late on October 24. The refinery experienced a power outage resulting in a complete shutdown on October 5.

Bloomberg News, 09:08 October 25, 2007

Total Restarting Crude Unit at its 240,000 b/d Port Arthur, Texas Refinery October 25

The unit was shut by a fire and explosion on October 18.

Reuters, 09:25 October 25, 2007

Event Reported at Lyondell-Citgo's Houston, Texas Refinery October 24

According to a report filed with state regulators, the event was triggered by overpressure of the depropanizer tower.

<http://www2.tceq.state.tx.us/eer/main/index.cfm?fuseaction=getDetails&target=99225>

Flaring Reported at Shell's 340,000 b/d Deer Park, Texas Refinery October 24

According to a report filed with state regulators, the event occurred when a faulty switch caused a compressor to trip. The compressor has been placed back on-line and the flaring has stopped.

<http://www2.tceq.state.tx.us/eer/main/index.cfm?fuseaction=getDetails&target=99227>

Vapor Release Reported at ConocoPhillips's 139,000 b/d Carson, California Refinery October 24

According to a report filed with state regulators, the event involved a refinery fuel gas upset.

<http://www.oes.ca.gov/Operational/MALHaz.nsf/f1841a103c102734882563e200760c4a/f167de1b5e2363028825737e0081e9ea?OpenDocument>

Flaring Reported at Chevron's 260,000 b/d El Segundo, California Refinery October 24

A compressor malfunctioned on a hydrotreating unit resulted in the incident.

Reuters, 12:20 October 25, 2007

<http://www.oes.ca.gov/Operational/MALHaz.nsf/f1841a103c102734882563e200760c4a/155d5d9ea64a614a8825737e00641f36?OpenDocument>

Natural Gas

Update: U.S. Coast Guard Says River Unsafe for LNG Tanker Traffic to Supply Weaver Cove

The U.S. Coast Guard has concluded that the Taunton River is not safe for LNG tankers to use to carry LNG to the proposed Weaver Cove LNG terminal. According to Coast Guard Capt. Roy Nash, Captain of the Port for southeastern New England, "Vessel masters would face extraordinary navigational maneuvers when transiting the waterway and the safety risks are too great to favorably recommend the waterway as suitable." Weavers Cove Energy, a subsidiary of Hess LNG plans to appeal the decision.

<http://www.chron.com/dispatch/story.mpl/ap/fn/5242271.html>

<http://intelligencepress.com/>

Wildfires Leave Southern California Gas Operations Unaffected

<http://intelligencepress.com/>

Other News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices			
October 25, 2007			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	92.09	89.48	59.46
NATURAL GAS Henry Hub \$/Million Btu	6.49	7.11	7.20

Source: Reuters

Energy Notes

Backup System Failure Causes 2 Hour Outage for 13,000 Customers of Bangor Hydro in Maine October 24

<http://www.wcsh6.com/news/article.aspx?storyid=73258>

Update: Vermont Train Derailment Caused by Faulty Rail

<http://www.burlingtonfreepress.com/apps/pbcs.dll/article?AID=/20071023/NEWS01/710230308/1009/NEWS05>

Update: Missouri Commission Report Concludes Taum Sauk Dam Collapse Avoidable – Suggests Changes to Management Practices

For the full report see: Missouri Public Service Commission: www.psc.mo.gov

http://www.joplinglobe.com/statenews/local_story_297235839.html

Concern over Use of Coal Prompts Westerville to Reject Plans for Power Plant in Ohio

http://www.columbusdispatch.com/live/content/local_news/stories/2007/10/24/westamp.ART_ART_10-24-07_B2_018936E.html?sid=101

Canadian Union Appealing Approval of Keystone Pipeline to Carry Oil Sands Crude to U.S.

<http://www.newswire.ca/en/releases/archive/October2007/24/c7726.html>

Rebels in Sudan Attack Oil Field and Kidnap Two Workers

Bloomberg News, 03:09 October 25, 2007

ExxonMobil Starts Production in Angola -- to Hit 40,000 b/d at Peak

Reuters, 10:33 October 25, 2007

Update: Shell Reports 189,000 b/d of Nigerian Production Remains Shut

Reuters, 05:17 October 25, 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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