



ENERGY ASSURANCE DAILY

Monday Evening, December 01, 2008

Electricity

Snowstorms Cut Power to 43,000 Customers in Michigan, Wisconsin November 30-December 1

Snowstorms cut power to about 24,000 Consumers Energy customers in Michigan and 19,000 We Energies customers in Wisconsin November 30-December 1. Only about 1,700 We Energies customers remained without power, as of latest reports.

<http://www.mlive.com/news/bctimes/index.ssf?/base/news-13/1228148108191510.xml&coll=4>

http://www.wkowtv.com/Global/story.asp?S=9435362&nav=menu1362_2_4

Apparent Power Pole Vandalism Cuts Electricity to about 20,000 SaskPower Customers in Canada November 29

About 20,000 SaskPower customers lost electricity after an apparent vandalism incident at two, 72,000-volt power poles. Workers said insulators on the poles appeared to have been shot off. A SaskPower spokesman said police would be called to investigate the incident, but the company expected to restore power to most customers by the end of the day.

<http://www.metronews.ca/toronto/canada/article/148196>

Exelon's 619 MW Oyster Creek Nuke Unit in New Jersey Shut by November 29

The unit shut on November 28 due to an electrical fault in a transformer. Exelon is performing repairs to the facility, a spokesman said. The Nuclear Regulatory Commission reported that on the morning of November 28 the unit was operating at 98 percent.

Bloomberg News, 07:09 December 1, 2008

Bloomberg News, 10:03 November 30, 2008

Information also derived from the NRC Power Reactor Status Reports:

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

Exelon's 1,111 MW La Salle Nuke Unit 2 in Illinois at Full Power by December 1

The Nuclear Regulatory Commission reported that on the morning of November 30 the unit was operating at 90 percent.

Information derived from the NRC Power Reactor Status Reports:

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

Progress Energy's 872 MW Brunswick Nuke Unit 1 in North Carolina Ramped Up to 89 Percent by December 1

The unit shut due to an "apparent" electro-hydraulic control-system malfunction, sources said. At the time of the incident, the unit was ramping up from a previous outage. The Nuclear Regulatory Commission reported that on the morning of November 30 the unit was operating at 64 percent.

Bloomberg News, 07:30 December 1, 2008

Bloomberg News, 11:23 November 28, 2008

Reuters, 08:04 December 1, 2008

Information also derived from the NRC Power Reactor Status Reports:

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

SCE Ramps up, Curtails 1,000 MW Big Creek Hydroelectric Power Plant in California Over Weekend

Southern California Edison's (SCE) Big Creek hydroelectric power plant slowed by 630 MW by November 26, ramped up to near-full-power by November 28, and then slowed by 775 MMW by Sunday.
Reuters, 10:03 December 1, 2008

OPG's 494 MW Lambton Coal-fired Unit 3 in Ontario Shuts by November 28

Ontario Power Generation (OPG) idled the unit for longer-term work, a news source reported.
Reuters, 13:38 November 28, 2008

OPG's 490 MW Nanticoke Coal-fired Unit 4 in Ontario Shuts by December 1

The unit shut for maintenance, but may be back online in a matter of days, a spokesman said.
Reuters, 09:47 December 1, 2008
Bloomberg News, 09:18 December 1, 2008

OPG's 490 MW Nanticoke Coal-fired Unit 7 in Ontario Shuts by December 1

The unit shut for maintenance, but may be back online in a matter of days, a spokesman said.
Reuters, 09:47 December 1, 2008
Bloomberg News, 09:18 December 1, 2008

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

Reuters, 10:17 December 1, 2008

OPG's 215 MW Atikokan Coal-fired Unit in Ontario Shut December 1

Reuters, 10:17 December 1, 2008

Update: OPG Restarts 500 MW Pickering Nuke Unit 7 in Ontario by December 1

The unit restarted after maintenance, and was generating about 165 MW of power according to a posting on the website of the Independent Electricity System Operator.
Bloomberg News, 08:58 December 1, 2008

OPG's 494 MW Lambton Coal-fired Unit 1 in Ontario Returns to Service by November 28

The unit shut on November 12.
Reuters, 13:38 November 28, 2008

Update: OPG Restarts 490 MW Nanticoke Coal-fired Unit 2 in Ontario by December 1

The unit went offline by August 26. It was producing about 132 MW of power this morning, a source said.
Reuters, 09:47 December 1, 2008
Bloomberg News, 09:18 December 1, 2008

Update: TransAlta's 280 MW Sundance Coal-fired Unit 2 in Alberta Restarts by December 1

The unit went offline November 28.
Bloomberg News, 10:25 December 1, 2008
Bloomberg News, 15:51 November 30, 2008

Update: TransAlta's 279 MW Wabamun Coal-fired Power Plant in Alberta Back Online by November 28

The unit went offline on November 24.
Bloomberg News, 15:50 November 28, 2008

ERCOT Says Grid Modernization Program Two Years Behind Schedule

The Electric Reliability Council of Texas' (ERCOT) plan to divide its electric grid into thousands of nodes is two years behind schedule, and far costlier than originally expected, the organization said. The nodal system—intended to improve power flows, relieve congestion and reduce prices—will not come online until the end of 2010. It was originally slated for January 1, 2009 completion. ERCOT first forecasted the project to cost \$125 million, by January of this year the cost was estimated at \$319 million. Now, ERCOT anticipates spending \$660 million.
http://www.kristv.com/Global/story.asp?S=9422796&nav=menu192_2

Update: Free Flow Power Corp Considers 1,600 MW Hydroelectric Turbine Project in Mississippi

The company is considering plans to install thousands of small turbines in the Mississippi River, from St. Louis to the Gulf of Mexico, to produce 1,600 MW of power.

<http://www.washingtonpost.com/wp-dyn/content/article/2008/11/30/AR2008113001215.html>

FirstEnergy's 1,847 MW Beaver Valley Nuclear Power Plant May Run Out of Storage Space for Radioactive Waste in Two to Five Years

The plant may be unable to store its low-level radioactive waste in two to five years, a news source reported. Pennsylvania, along with 35 other states, does not have a site to discard such materials.

http://www.pittsburghlive.com/x/valleyindependent/teenscene/s_600513.html

Petroleum

U.S. Crude Imports Fall Nearly 1.9 million b/d in September; Lowest Level Since 2000, as Hurricanes Ike and Gustav Disrupt Refinery Operations--EIA

U.S. crude imports dropped 1.877 million b/d in September, averaging 8.407 million b/d, as Hurricanes Ike and Gustav slowed or shut multiple Gulf Coast refineries, based on Energy Information Administration (EIA) data. The total was the lowest such figure since February 2000. The EIA also reported that U.S. crude inventories rose by 7.3 million b/d, to a total 320.8 million b/d, in the week ended November 21. The figure significantly outpaced expectations of a 600,000 b/d build. Gasoline stocks also rose by 1.9 million b/d, to a total 200.5 million b/d. Wall Street had expected a 200,000 b/d increase.

<http://www.platts.com/Oil/News/8203506.xml?p=Oil/News&sub=Oil>

http://www.oil.com/display_article/346446/7/ONART/none/GenIn/1/MARKET-WATCH:-Market-fears-pull-down-energy-prices/

<http://www.energyintel.com/#latest>

U.S. Oil Demand Drops 12.8 Percent, Year-on-Year, in September 2008—EIA

U.S. oil demand fell by 12.83 percent in September, compared to the same month last year, the Energy Information Administration (EIA) reported. Gasoline demand dropped by 8.48 percent, distillate demand by 10.12 percent, jet fuel demand by 4.31 percent, and residual demand by 23.44 percent.

Reuters, 14:11 November 26, 2008

Update: Hurricanes Gustav and Ike Destroy 60 Oil-and-Gas Platforms in Gulf of Mexico

About 2,127 oil-and-gas production platforms in the Gulf of Mexico were exposed to hurricane conditions, the Minerals Management Service (MMS) reported. As of August 2008, there were more than 3,800 such platforms in the Gulf of Mexico. Hurricanes Gustav and Ike destroyed 60 of those platforms, with combined production of 13,657 b/d of oil and 96.49 MMcf/d of natural gas. Those figures account for 1.05 percent of the region's daily oil production, and 1.3 percent of its gas output.

<http://www.mms.gov/ooc/press/2008/press1126a.htm>

Update: Sunoco Logistics Partners Restarts 8-inch Gasoline Pipeline in Pennsylvania after Rupture

Sunoco Logistics Partners restarted the pipeline by 1 PM local time on November 26, one day after a rupture forced it offline. The incident occurred as two workers performed maintenance on the line. The incident forced the closure of a one mile segment of a nearby highway, and the evacuation of businesses and three schools in the area. Clean-up efforts continued, as of November 26, and an investigation was ongoing.

Bloomberg News, 14:22 November 26, 2008

Update: DOE to Continue Filling SPR in 2009

The Department of Energy (DOE) will resume crude deliveries to the Strategic Petroleum Reserve (SPR) in January 2009. "The return of SPR emergency exchange oil as a result of damages caused by Hurricanes Gustav and Ike is scheduled to start in January 2009," she said. As a measure to reduce high crude oil prices, Congress voted to stop filling the SPR in May, but that legislation expires at the end of 2008. Plans call for 2 million barrels in deliveries next month.

Bloomberg News, 12:39 December 1, 2008

BP to Start Unit within Next Week at 467,720 b/d Texas City, Texas Refinery, Company Says November 26

BP planned to start the “600 train” within the next week, the company said in a filing with state regulators on November 26. The restart involved the residual hydro-treating unit. BP expected the event to trigger flaring. Bloomberg News, 12:47 November 26, 2008

Compressor Issue During Restart at Lyondell Basell’s 270,600 b/d Houston, Texas Refinery

Compressor issues caused flaring during a coker restart at Lyondell Basell’s Houston, Texas refinery, the company confirmed. The emissions occurred November 26-27. “Operational changes were made to stop the flaring,” the company said in a filing with state regulators. The coker had been shut for planned work, delayed first due to a fatal crane incident, and again because of Hurricane Ike.

Reuters, 12:39 November 27, 2008

Reuters, 09:12 November 28, 2008

Reuters, 11:38 November 28, 2008

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=117127>

ConocoPhillips Reports Process Upset at 146,000 b/d Borger, Texas Refinery November 30

A process upset triggered flaring on November 30, the company said in a filing with state regulators. It was not clear if the incident impacted production.

Bloomberg News, 12:30 November 30, 2008

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=117150>

Update: Shell Postpones Plans for 100,000 b/d Carmon Creek Oil Sands Project in Alberta

Citing costs, Shell said it withdrew a regulatory application for its proposed 100,000 b/d Carmon Creek thermal project in Alberta. Shell is re-evaluating and redesigning the project, and expects to resubmit new plans, a spokeswoman said. The company has not determined when it will re-file. The Carmon Creek project was slated to come online in two 50,000 b/d phases.

<http://www.nationalpost.com/rss/story.html?id=1000660>

Update: Oil Exports Dip at Iraq’s Basra Terminal December 1

Oil exports from Iraq’s Basra terminal dropped from 1.56 million b/d on November 30, to 840,000 b/d on December 1, a shipping agent said. The slowdown occurred just two days after the terminal ramped up from a weather-related reduction. Bad weather cut exports to 960,000 b/d last week, beginning November 23. Those rates recovered to 1.56 million b/d on November 29, only to fall back again by this morning.

Reuters, 03:05 December 1, 2008

Reuters, 07:49 November 30, 2008

Nigerian Oil Production at 2.14 Million b/d after Recent Attacks—NNPC Official Sources Says Some 1.2 Million b/d Shut-in

Years of militant assaults, punctuated by recent attacks, have shut in about 1.2 million b/d of oil production in Nigeria, according to an official at state oil company NNPC. As a consequence, Nigeria is producing just 2.14 million b/d of oil. Included in the reductions is Chevron’s Escravos facility, which is producing at about 220,000 b/d, or 127,000 b/d below capacity.

<http://www.platts.com/Oil/News/8205892.xml?p=Oil/News&sub=Oil>

UAE to Boost Crude Output to 3.5 Million b/d by 2017

The United Arab Emirates Expects to increase oil capacity by 700,000 b/d, from 2.8 million b/d now to 3.5 million b/d in 2017, a news source reported. The boost would be five years later than previously expected.

http://www.rigzone.com/news/article.asp?a_id=70113

Columbia Gas Transmission's 14-inch Pipeline Ruptures in Pennsylvania November 5

The rupture threw a piece of the pipeline about 400 feet from the site, but did not cause any injuries. The incident forced shut the pipeline. It did not, however, result from or cause any explosion. "What witness saw was not smoke from a fire," a spokesman said. "There was no fire but the rupture threw a lot of gas, soil and water into the air." Columbia Gas is replacing the damaged section, and plans to perform numerous tests. The affected line runs from Kentucky through Pennsylvania.

<http://www.riverreporter.com/issues/08-11-27/news-explosion.html>

Update: Millennium Pipeline at Full Operational Status along 186-mile, 30-inch Natural Gas Pipeline in New York by December 15

Gas is already flowing along some parts of the line, and the company is performing tests and tie-ins along remaining portions. Work on a compressor station is also ongoing.

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

<http://intelligencepress.com/>

Power Failure Shuts Waha Gas Plant in Texas November 28

A total power failure caused the shutdown, according to a filing with state regulators. The incident lasted about four-and-a-half hours, and resulted in flaring.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=117140>

Nigeria LNG Limited Says it Might not be Able to Fulfill LNG Export Duties after Shell Declares Force Majeure

Nigeria LNG Limited (NLNG) said it might not be able to fulfill its liquefied natural gas (LNG) export obligations after Shell shut an associated gas plant. NLNG accounts for 10 percent of the world's LNG. Shell took its Soku gas plant—responsible for 40 percent of NLNG's supplies—offline after thieves caused significant damage to an associated pipeline. The company declared force majeure on gas deliveries to the NLNG plant. It was not clear how long the shutdown would last.

<http://www.guardian.co.uk/business/feedarticle/8090887>

Other News

Missouri Stations Stop Selling Ethanol Blended Gasoline on Poor Economics

Most Missouri gas stations have been selling gasoline without ethanol, as economic conditions make unblended gasoline cheaper than E10, according to the executive director of the Missouri Petroleum Marketers and Convenience Store Association. The situation has developed over the past three to four weeks, he said. Unleaded regular gasoline averaged \$1.55/gallon in Springfield, Missouri last Tuesday according to AAA and MissouriGas.com.

<http://ethanol-news.newslib.com/story/6938-30144/>

U.S. Biodiesel Producers Sell Product in Foreign Markets and Receive U.S. Tax Break

According to a story in the Houston Chronicle, U.S. companies have been exporting biodiesel to foreign markets, and then receiving a \$1/gallon tax credit from the U.S. government. Critics say the practice runs counter to the spirit of the credit, which was intended to spur domestic production and ease U.S. reliance on fossil fuels. The industry, however, says such exports have created jobs and shielded U.S. producers from poor economic conditions.

<http://www.chron.com/dispatch/story.mpl/front/6137840.html>

Agencies Publish Final Environmental Impact Statement on Energy Corridor Designation in the West

Four Federal agencies today released a Final Programmatic Environmental Impact Statement (Final PEIS) proposing to designate more than 6,000 miles of energy transport corridors on Federal lands in 11 Western States. The Department of the Interior's Bureau of Land Management and the U.S. Departments of Energy, Agriculture, and Defense (the Agencies) prepared the Final PEIS as part of their work to implement Section 368 of the Energy Policy Act of 2005. The proposed energy corridors would facilitate future placement of oil, gas, and hydrogen pipelines, as well as electricity transmission and distribution facilities on Federal lands in the West to meet the region's increasing energy demands while mitigating potential harmful effects to the environment.

<http://www.energy.gov/news/6760.htm>

Energy Prices

U.S. Oil and Gas Prices December 1, 2008			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	50.12	53.71	89.93
NATURAL GAS Henry Hub \$/Million Btu	6.43	6.85	7.45

Source: Reuters

Energy Notes

Storms Cut Power to About 10,000 Customers in Ontario December 1

<http://www.thedailyobserver.ca/ArticleDisplay.aspx?e=1324073>

Avista Corp to Postpone New Wind Farm in Washington State, Citing Costs

<http://www.columbian.com/article/20081130/NEWS06/311309981>

Avista Corp Plans to Increase Noxon Rapids Dam Power Output in Washington by 28 MW

<http://www.columbian.com/article/20081130/NEWS06/311309981>

Study Says Saskatchewan, Canada Could Boost Nuclear Power Generation by 1,000 MW by 2020

<http://www.platts.com/Nuclear/News/8206560.xml?p=Nuclear/News&sub=Nuclear>

Ohio Power Siting Board Approves Five-Mile Transmission Line to Link AMP-Oio's Proposed Coal-fired Power Plant to Regional Grid

<http://columbus.bizjournals.com/columbus/stories/2008/11/24/daily16.html>

Man Admits to Bomb Threat at AEP's 2,933 MW John E. Amos Power Plant in West Virginia

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=11549397

Flaring at ExxonMobil's 149,500 b/d Torrance, California Refinery December 1

Bloomberg News, 12:00 December 1, 2008

Alon Reports Flaring at 67,000 b/d Big Spring, Texas Refinery—November 28 News

Bloomberg News, 13:22 November 28, 2008

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=117133>

Delek Reports Valve Break, Gasoline Spill at 60,000 b/d Tyler, Texas Refinery November 28

Bloomberg News, 06:03 November 28, 2008

Coast Guard Shuts Shoreside Petroleum Mobile Facility in Alaska, Citing Multiple Deficiencies

<http://coastguardnews.com/video-coast-guard-shuts-down-shoreside-petroleum-in-whittier-alaska/2008/11/28/>

Harsh Weather Forces Shut Mexico's Dos Bocas, Coatzacoalcos Oil Ports in Gulf of Mexico November 30-December 1

Reuters, 11:20 December 1, 2008

**OPEC Postpones Possible Crude Output Cut to Later meeting
Oil Prices Drop below \$50/Barrel on News**

Reuters, 12:03 December 1, 2008

Gunmen Kidnap Scottish Oil Worker in Niger Delta November 27

Reuters, 12:14 November 28, 2008

Workers Briefly Strike at France's Fos Lavera Oil Port November 27

Reuters, 10:47 November 27, 2008

Iraqi Oil Ministry, Kurdish Regional Government Agree to Export Oil from Tawke Oilfield in Kurdistan through Pipeline to Turkey

Reuters, 13:04 November 27, 2008

OPEC President Says Some Producers Having Difficult Time Selling Oil on Lagging Demand

Reuters, 03:38 November 29, 2008

Iraqi Officials Approve Four Refineries, with Combined 750,000 b/d Capacity to Meet Export and Domestic Demand

Reuters, 14:59 November 30, 2008

Bloomberg News, 05:20 December 1, 2008

OPEC Exports, not Including Ecuador and Angola, Drop 315,000 in Four Weeks Ending November 9, to a total 22.812 Million b/d—Lloyd's

Reuters, 09:27 November 27, 2008

Explosion, Fireball at Suburban Propane Facility in California November 30

<http://www.mydesert.com/apps/pbcs.dll/article?AID=200881130003>

Update: Construction to Take up to Eight Years, Instead of Originally-Planned Four, at Irving Oil's Proposed 300,000 b/d Saint John, Canada Refinery

<http://dailygleaner.canadaeast.com/rss/article/495291>

EIA Reports 66 Bcf Natural Gas Storage Withdrawal in Week Ended November 21

http://www.eia.doe.gov/display_article/346446/ONART/none/GenIn/1/MARKET-WATCH:-Market-fears-pull-down-energy-prices/

Compressor Problem at Cedar Lake Booster Station in Texas November 28-29

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=117135>

Power Failure Causes Systems Trips at Tilden Gas Plant in Texas November 27

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=117128>

High Level Alarm Causes Equipment Shutdown at Tilden Gas Plant in Texas November 26

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=117125>

Electric Short Shuts Booster Engine at Bayview Booster Station in Texas November 29

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=117173>

Engine Shutdown at East Waddell Compressor Station in Texas November 30

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=117152>

Chevron Cuts Back on Plans to Boost Natural Gas Output in Colorado's Piceance Basin

http://www.ft.com/cms/s/4e5f0104-bf4a-11dd-ae63-0000779fd18c.Authorised=false.html?i_location=http%3A%2F%2Fwww.ft.com%2Fcms%2Fs%2F0%2F4e5f0104-bf4a-11dd-ae63-0000779fd18c.html&i_referer=

Update: Crown Landing Seeks Construction Deadline Extension for Proposed LNG Terminal on Delaware River

<http://www.nj.com/sunbeam/index.ssf?/base/news-4/122794681648930.xml&coll=9>

U.S. Coal Production Jumps 10.7 Percent, Year-on-Year, in Week Ending November 22, EIA Reports

<http://www.platts.com/Coal/News/8206624.xml?p=Coal/News&sub=Coal>

County Officials Okay 32 Million Gallon/Year Planned Ethanol Production Facility in Indiana

<http://ethanol-news.newslib.com/story/6938-30192/>

Update: Minnesota Pollution Control Agency's Citizen Board Okays Planned MinnErgy Ethanol Plant in Minnesota

<http://ethanol-news.newslib.com/story/6938-30146/>

NOAA Says 16 Named Storms in 2008 Atlantic Hurricane Season—Fourth Most Active Since 1944

<http://www.ens-newswire.com/ens/nov2008/2008-11-28-094.asp>

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.

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<http://www.oe.netl.doe.gov/ead.aspx>

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