



ENERGY ASSURANCE DAILY

Thursday Evening, December 20, 2007

Electricity

Update: Power Restoration Nearly Complete in Oklahoma After Last Week's Ice Storms High Winds Could Result in More Outages and Downed Power Lines – OG&E

As of 1:00 PM local time, December 20, the Oklahoma Corporation Commission reported about 9,400 homes and businesses without electric service statewide, down from 32,101 without power at 3:00 PM December 19. Outages remained in territories served by Oklahoma Gas & Electric (OG&E), AEP-Public Service Company of Oklahoma, and Oklahoma cooperatives and municipalities. According to a posting on OG&E's website, the company expects complete restoration December 20 to all customers who are able to receive power. Customers who remain without service after December 20 most likely have property damage requiring repair by an electrician before they can be reconnected to the OG&E system. OG&E said falling tree limbs continue to cause problems and high winds over the next several days could result in additional outages and downed power lines. The storm, which struck the region December 9-10 affected over one million customers in the Central Plains, including 300,000 OG&E customers.

http://www.ok.gov/OEM/Emergencies_&_Disasters/2007/Winter_Weather_Event_20071209_-_Master/Winter_Weather_Event_20071209_-_32.html
<http://www.oge.com/systemwatch/newspage.asp?newsid=59>

FERC Approves Three Planning and Operating Reliability Standards

The Federal Energy Regulatory Commission (FERC) approved on December 20 three reliability standards to further ensure the reliability of the nation's bulk power electricity market. The standards were proposed by the North American Electric Reliability Corp. (NERC), the FERC-certified electric reliability organization (ERO). The three new reliability standards require planning authorities and reliability coordinators across the country to establish methodologies to determine operating limits of the Bulk Power System for planning and operating purposes. They also acknowledge regional differences in the Western Electricity Coordinating Council (WECC) that are intended to provide higher levels of reliability than the proposed national Reliability Standard. Two of the reliability standards include an interconnection-wide regional difference for the Western Interconnection administered by WECC.

http://elibrary.ferc.gov/idmws/file_list.asp?accession_num=20071220-3057

Update: Chemical Plant Explosion that Affected Florida Power Plants Has Not Threatened Florida's Power Grid - FRCC

On December 19, a massive explosion at a Jacksonville, Florida chemical plant knocked out two of three units at JEA's nearby 1,159 MW Northside power plant and forced the evacuation of all non-essential employees at St. John River Power Park, a 1,252 MW coal-fired power plant jointly owned by JEA and Florida Power & Light. Despite the evacuation, St. John's Park continued to operate. JEA does not expect any permanent damage at the Northside power plant. A spokeswoman for the Florida Reliability Coordinating Council said that the explosion had not threatened operation of the state's high-voltage power grid. The explosion occurred at T2 Labs chemical facility, which makes gasoline additives and other chemical products.

<http://www.reuters.com/article/domesticNews/idUSN1942272820071220?pageNumber=2&virtualBrandChannel=0>
Reuters, 14:48 December 19, 2007

AmerGen's 619 MW Oyster Creek Nuke Unit in New Jersey Shut December 20

As operators were reducing the unit to about 50 percent power to work on a condenser, one of the feed pumps failed and operators had to shut the unit. According to the Nuclear Regulatory Commission, the unit was operating at 84 percent on December 19.

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

Reuters, 15:59 December 19, 2007

Update: SCE's 525 MW Mountainview Gas-fired Unit 3 in California Back in Service December 19

According to a filing with California Independent System Operator, the unit experienced an unplanned outage on December 18.

<http://www.caiso.com/unitstatus/data/unitstatus200712191515>

AEP's 690 MW Oklaunion Coal-fired Unit in Texas Shut December 19

The unit tripped off line on Wednesday due to a turbine controls card failure.
Reuters, 13:42 December 19, 2007

PPL's 759+ MW Montour Coal-fired Unit in Pennsylvania Shut December 19

Reuters, 13:42 December 19, 2007

Petroleum

Update: ExxonMobil Repairing Crude Unit Leak at 348,500 b/d Beaumont Refinery in Texas December 19

An ExxonMobil spokesman said that the company was repairing a crude unit leak but said the incident had no impact on production as the whole unit was not shut down.

Reuters, 15:10 December 19, 2007

Power Lost at Alon's 70,000 b/d Los Angeles, California Refinery December 19

The refinery lost power which caused flaring.

<http://www.oes.ca.gov/Operational/MALHaz.nsf/f1841a103c102734882563e200760c4a/98590fe66144c0fe882573b60080ed2b?OpenDocument>

Pipeline Fire, Power Outage Hit Kern Oil's 26,000 b/d Bakersfield, California Refinery December 19

According to local media reports, a fire broke out in pipeline causing an "unknown" amount of damage yesterday. Traders told OPIS that the fire had no impact on production and also said that the refinery experienced a power outage on the same day.

Bloomberg News, 13:25 December 20, 2007

Oil Price Information Service, 02:46 December 20, 2007

Crude Unit Restart Delayed at BP's 460,000 b/d Texas City, Texas Refinery

According to trade sources, BP has delayed the restart of a 225,000 b/d crude distillation unit at the refinery by about a month to mid-February. The refinery was severely damaged by the rapid shutdown required before Hurricane Rita 2005.

Oil Daily, December 20, 2007

Update: Distillation Unit Restarts at Shell's 155,000 b/d Scotford Upgrader in Alberta December 20

The unit has begun limited production of crude oil from bitumen after a fire shut the unit, along with several others on November 19. The Muskeg River oil sands mine, which supplies the upgrader with bitumen, is in startup mode with production scheduled to match the upgrader's progress.

Bloomberg News, 12:42 December 20, 2007

Gunmen Attack Oil Barge, Jetty and Government Building in Nigeria December 19

Gunmen from a local militia led by Ateke Tom blew up an oil industry barge, briefly kidnapped 18 Filipino crewmen, set fire to a jetty run by the state oil company, and attacked a government building in the Rivers state December 19.

<http://africa.reuters.com/top/news/usnBAN047487.html>

Placid Refining Company Expects 2010 Completion Date for Port Allen, Louisiana Refinery Upgrade and Expansion

Placid Refining Company LLC announced December 19 that the company is on schedule in implementing its project to upgrade and expand its Port Allen, Louisiana refinery. The project will expand the refinery's capacity to 80,000 barrels per day from its current 55,000 b/d rating. All existing process units are being expanded and upgraded. In addition, a new FCC gasoline hydrotreater, new sulfur extraction capacity, tankage, and other environmental improvements are being constructed to enable the refinery to meet all applicable clean fuel standards for its products. The upgrades will allow the company flexibility to utilize a less expensive, higher sulfur crude oil mix in its production process. The company's board of directors has given final approval, and the project is in full construction mode. Completion is expected during the first half of 2010.

<http://www.placidrefining.com/Press/expansion%20rel2.pdf>

Natural Gas

Florida Gas Transmission to Limit Flows for Several Days Due to Unplanned Natural Gas Line Examination

According to posting on the company's website, Florida Gas Transmission will be performing an unscheduled examination of the pipeline upstream of Station 6 on December 20. This examination may take several days. During this examination FGT will schedule up to approximately 65,000MMBtu/day through Station 6. During normal operations FGT schedules up to 300,000MMBtu/day through Station 6. The 5,000-mile (8,050 km) Florida Gas Transmission system runs from southern Texas to southern Florida, with a mainline capacity of 2.3 Bcf/d.

<http://www.hottap.panhandleenergy.com/noticesDetails.do?co=FGT&priority=Y&identifier=26799¬iceType=6#26799&frames=none>

Compressor Shut at 135 MMcf/d Salt Creek Gas Plant in Texas December 19

The compressor shut after a knock was noticed. The unit is expected to be out until December 22.

<http://www2.tceq.state.tx.us/eer/main/index.cfm?fuseaction=getDetails&target=101574>

ETP Expands Capacity to 2 Bcf/d on the Cleburne-to-Carthage Pipeline in Texas

Energy Transfer Partners announced December 19 that it has completed two compression projects that will add approximately 90,000 horsepower on the Cleburne to Carthage pipeline, increasing natural gas deliverability at the Carthage hub to more than 2.0 Bcf/d.

<http://www.energytransfer.com/PressReleases.asp?idPressRelease=217>

ETP Announces 600 MMcf/d Barnett Shale Pipeline Project in Texas

Energy Transfer Partners announced December 19 the "Southern Shale" natural gas pipeline project, which will consist of 30 miles of 36-inch pipeline that will originate in southern Tarrant County and deliver natural gas to ETP's previously announced Maypearl to Malone pipeline expansion project. The Maypearl to Malone project provides a direct interconnect for Barnett Shale production to ETP's large diameter pipeline infrastructure. The Southern Shale pipeline is scheduled to be completed in the 3rd quarter of 2008 while the Maypearl to Malone pipeline project is currently expected to be in service the 2nd quarter 2008. Once completed, the Southern Shale pipeline will provide an additional 600 MMcf/d of take away capacity

<http://www.energytransfer.com/PressReleases.asp?idPressRelease=21>

Other News

NRC Proposes Fine Against Indiana DOT for Failure to Secure Two Nuclear Gauges

The Nuclear Regulatory Commission has proposed a \$3,250 fine against the Indiana Department of Transportation for violations of NRC requirements associated with two incidents of failure to use proper methods to secure a gauge containing nuclear material.

<http://www.nrc.gov/reading-rm/doc-collections/news/2007/07-027.iii.html>

Energy Prices

U.S. Oil and Gas Prices December 20, 2007			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	91.65	92.11	63.06
NATURAL GAS Henry Hub \$/Million Btu	7.18	7.22	6.43

Source: Reuters

Energy Notes

Luminant Files NRC Request to Boost Generating Capacity by 100 MW at Comanche Peak Nuke Plant in Texas

Reuters, 16:00 December 20, 2007

Update: Administration Warns Rising Costs of FutureGen Power Plant in Illinois May Lead to Re-Design – Wants More Private Investment in Project

http://www.chicagotribune.com/news/weather/chi-futuregen_webdec19.0.7569162.story

<http://www.chron.com/disp/story.mpl/business/5389216.html>

Duke Energy Plans Second Nuclear Power Plant in Carolinas

<http://powermarketers.net/contentinc.net/newsreader.asp?ppa=8knpp%5E%5ChiqtrvsTTnkw11rbfem%5Ey>

Truck Crash Ruptures Natural Gas Pipeline in Ohio, Forces Evacuation of 5 Homes

http://www.dispatch.com/live/content/local_news/stories/2007/12/19/z-apoh_bridge_1219.ART_ART_12-19-07_B9_6R8QOR5.html?sid=101

Enbridge Says It Will Take Several Months of Tests Before Definitive Cause is Known for Clearbook, Minnesota Pipeline Explosion

http://www.downstreamtoday.com/News/Articles/200712/Tests_Continue_to_Determine_Cause_of_Pip_7756.aspx

Suez Canal Traffic Briefly Suspended by Tanker Grounding December 12

<http://in.reuters.com/article/businessNews/idINIndia-31069120071220>

Oil and Gas Companies Expected to Overspend Their E&P Budgets Again in 2008

Oil Daily, December 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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