



ENERGY ASSURANCE DAILY

Thursday, March 08, 2007

Electricity

Utilities Planning to Construct 80 to 100 Miles of New Power Lines in New England

After years of warnings from the U.S. Department of Energy and regional electric officials that New England needs to upgrade its power grid, National Grid USA and Northeast Utilities are now developing plans to construct 80 to 100 miles of high-voltage transmission lines in New England. The companies plan to present proposed routes to state regulators in Massachusetts, Connecticut, and Rhode Island in the coming months. Officials agree that major problems facing the grid include moving electricity from power plants and utility customers, as well as from eastern New England to western New England.

http://www.boston.com/business/technology/articles/2007/03/07/utilities_planning_new_power_lines/

Final Segment of 500 kV Centennial Transmission Line Enters Service in Nevada

Nevada Power energized the third and final phase of the Centennial project a 500kV line transmission line that provides access to new sources of power. The project included a total of 176 miles of 500 kV and 230 kV lines

http://www.nevadapower.com/news/releases/ShowPR.cfm?pr_id=4826

OPG's 535 MW Lennox Oil/Natural Gas-fired Unit 1 in Ontario Back in Service March 8

The unit returned to operational status following a brief outage to perform short-term work.

Reuters, 07:46 March 8, 2007

AEP's 528 MW Welsh Coal-fired Unit 1 in Texas Shut March 8

The unit was shut to perform repairs on a leaking boiler tube. The unit is anticipated to return to operational status by March 11.

Reuters, 07:41 March 8, 2007

Xcel's 522 MW Prairie Island Nuke Unit 2 in Minnesota Exiting Outage

According to a report of the Nuclear Regulatory Commission, the Prairie Island Unit 2 ramped up to 1 percent of capacity as it exited an outage that began on March 1. The unit was shut so that repairs could be made on a non-radioactive steam system could be performed.

Reuters, 07:10 March 8, 2007

AES's 227 MW Huntington Beach Gas-fired Unit 4 in California Shut March 8

Reuters, 08:14 March 8, 2007

Petroleum

Update: Shell Sees Operations Returning to Normal at Los Angeles Area Refinery by March 9

According to a Shell representative, the initial restart of all units has been completed and the refinery is expected to be operating at capacity by Friday. The refinery lost power when a utility substation was shut down by a wandering raccoon coming into contact with electrical equipment in the substation.

Reuters, 13:15 March 8, 2007

Work at Chevron's 243,000 b/d Richmond Refinery in California Extended Six Weeks

The maintenance work underway at Chevron's 243,000 b/d Richmond refinery in the San Francisco area originally scheduled to be completed by the end of February has been extended by six weeks and is now expected to be completed by the middle of April. No additional information from Chevron was available at press time.

Reuters, 12:58 March 8, 2007

Exchanger Shuts at Valero's 245,000 b/d Texas City Refinery March 7

According to a report filed with state regulators, Valero shut down the unit when a problem developed with the exchanger. A company representative stated that production was not affected by the problem.

Bloomberg, 11:28 March 8, 2007

Update: Houston Ship Channel Fogs Affected Oil Imports – EIA

According to the latest information from the U.S. Energy Information Administration (EIA), weekly imports of crude oil into the U.S. fell by 650,000 b/d for the period ending March 2. EIA indicated that the intermittent closing of the Houston Ship Channel due to dense fog was a contributing factor to the decline.

OPIS Price Watch Alert, 07:10 March 8, 2007

Update: Production Restarted at BP's 47,000 b/d Northstar Oil Field in Alaska

On March 7, BP announced that it had successfully restarted production at its 47,000 b/d Northstar oil field in Alaska. The field was shut down some three weeks ago when a small leak in a pipeline was discovered. During the shut down, the pipelines and welds in the system were inspected and repaired.

Reuters, 20:57 March 7, 2007

Decision on Shell's Expansion Plans for Port Arthur Refinery in Texas Delayed

A decision by Shell on whether to proceed with expansion plans for its Port Arthur refinery in Texas is being delayed pending the outcome of a search to secure a source of crude oil for the project. Shell has proposed expanding the plant from 275,000 b/d to 325,000 b/d. A Shell representative stated that the project remains on schedule, because a final decision regarding the financing of the project is to be made before the end of this year.

Reuters, 17:58 March 7, 2007

Federated Co-ops Announces Plans to Boost Capacity at Saskatchewan Refinery

Federated Co-operatives Ltd announced plans to boost the capacity of its refinery in Regina, Saskatchewan from 90,000 b/d to 130,000 b/d. The project is expected to be completed by 2011 and will serve the company's own retail network.

Reuters, 14:02 March 8, 2007

Several Oil Sands Projects Proposed in Alberta

Plans calling for several projects designed to add 80,000 b/d of production in Canadian oil sands production were announced on March 7 by Value Creation, a private firm. A subsidiary of the company, BA Energy Inc currently has a 260,000 b/d merchant upgrader under construction in Alberta with the first 77,500 b/d phase scheduled to go on-line in 2008.

Reuters, 13:31 March 7, 2007

U.S. Can Maintain a Higher Level of LPG Cracking Capacity – Purvin & Gertz

According to a presentation by industry consultants Purvin & Gertz, the LPG cracking capacity in the Gulf Coast region can be maintained at 690,000 b/d, well above the record high level of 530,000 b/d, 505,000 b/d of propane and 185,000 b/d of butane.

Reuters, 00:26 March 8, 2007

Natural Gas

Williams Completes 30 Percent Expansion of Natural Gas Processing Plant in Wyoming

The Williams Companies completed the expansion of its natural gas processing plant in Opal, Wyoming. The expansion boosted capacity at the plant to 1.45 Bcf/d. The processed gas is shipped to the West Coast and Rocky Mountain markets.

Reuters, 16:16 March 7, 2007

Enterprise Completes Installation of 1 Bcf/d Independence Hub in Gulf of Mexico

Installation of Enterprise Products Partners L.P.'s Independence Hub production platform in the Mississippi Canyon area of the eastern Gulf of Mexico is now complete. The hub will be operated by Anadarko Petroleum Corporation and is expected to begin production during the second half of this year. Capable of handling up to 1 Bcf/d of natural gas, the Independence Hub is the deepest offshore platform ever installed in the world.

<http://biz.yahoo.com/bw/070308/20070308005571.html?.v=1>

FERC Gives Environmental Nod to Panhandle's Proposed Replacement Project in Illinois and Michigan

On March 7, FERC issued a positive environmental review of Panhandle Eastern Pipeline Co. LP's proposal to replace existing pipeline with larger diameter pipe to re-establish long-haul deliveries from Illinois to Michigan.

NGI's Daily Gas Price Index, March 8, 2007 <http://intelligencepress.com/>

Other News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices			
March 8, 2007			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	61.63	62.00	60.06
NATURAL GAS Henry Hub \$/Million Btu	7.14	7.07	6.47

Source: Reuters

Energy Notes

10,000 AEP Customers Lost Power March 7 in Ohio, Power Restored 3 Hours Later

<http://www.10tv.com/?story=sites/10tv/content/pool/200703/2114649518.html>

Clean Up of Small Bunker Spill in Seattle Harbor Nearing Completion

Reuters, 18:44 March 8, 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.

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

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