



# ENERGY ASSURANCE DAILY

Monday Evening, April 28, 2008

## Major Developments

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### **Update: BP's 700,000 b/d Forties North Sea Pipeline System Shut Many North Sea Oil & Gas Fields Closed**

#### **Worker Strike at Grangemouth, Scotland Refinery to End April 29**

Workers at the Grangemouth refinery are to return to work early April 29 after striking for 48 hours. The union is estimating it will take a week to 10 days to get the refinery back at full production rates, whereas the operating company, Ineos, estimates the restart may take up to three weeks. The union announces that no new strike is planned at the Grangemouth refinery. The company plans to restore power and steam supplies to BP's Kinneil oil processing facility much more quickly. The closure of Kinneil over the weekend forced Britain's Forties oil pipeline to close, cutting off almost half of the UK's oil production. North Sea natural gas fields that send liquids through Forties had to shut too. One trader estimated the impact Monday as about 60 million cu m/day of lost production natural gas production. The production shutdowns lead the U.K. to increase its imports of Belgium natural gas and pull more than normal from storage.

Reuters, 16:22 April 25, 2008

Reuters, 18:00 April 25, 2008

Reuters, 07:36, April 28, 2008

<http://www.platts.com/Natural%20Gas/News/8694426.xml?p=Natural%20Gas/News&sub=Natural%20Gas>

### **Update: ExxonMobil Declares Force Majeure on Operations in Nigeria April 28, Worker Strike on its Fifth Day**

ExxonMobil declared force majeure April 28 on its energy operations in Nigeria because of an ongoing labor strike affecting production with estimates not yet confirmed. According to an Exxon representative, Exxon affiliates will not speculate about the length of the force majeure or how long it will take to restart production in and surrounding Nigeria. Industry experts, who report the Exxon worker strike has shut-in all of its Nigerian output totaling 800,000 b/d, forecast that even if the strike ends soon it will be many days before the pipelines, drilling rigs and export facilities may be brought back into full service. An Exxon official denied reports that all of its Nigerian production is shut-in.

Reuters, 08:09 April 28, 2008

[http://money.cnn.com/news/newsfeeds/articles/djf500/200804281457DOWJONESDIONLINE000585\\_FORTUNE5.htm](http://money.cnn.com/news/newsfeeds/articles/djf500/200804281457DOWJONESDIONLINE000585_FORTUNE5.htm)

## Electricity

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### **Explosion Kills Two Workers, Shuts SG Solutions's 260 MW Coal Gasification Plant in Indiana, April 28**

At approximately 11 AM EDT, an explosion occurred at SG Solutions's coal gasification plant in West Terre Haute, Indiana, killing two workers. According to officials, the explosion occurred when a metal fitting broke and released pressurized gas that immediately ignited, sending plumes of black smoke into the air. Operations at the coal gasification were immediately suspended.

<http://www.wvpa.com/news/newsdetail.aspx?itemID=13>

<http://uk.reuters.com/article/oilRpt/idUKN286126120080428>

<http://www.duke-energy.com/power-plants/coal-fired/wabash.asp?sec=content>

<http://www.wishtv.com/Global/story.asp?S=8237173&nav=0Rce>

[http://ap.google.com/article/ALeqM5iz-aMF-d6NOA-iIU\\_j7JDpKkcjgD90B007G1](http://ap.google.com/article/ALeqM5iz-aMF-d6NOA-iIU_j7JDpKkcjgD90B007G1)

### **Cabrillo Power's 300 MW Encina Gas-fired Unit 4 in California Shut April 25**

According to the California Independent System Operator, the unit experienced an unplanned curtailment of 100 MW on April 25.

<http://www.caiso.com/unitstatus/data/unitstatus200804251515.html>

### **Calpine's 593 MW Metcalf Energy Center Gas-fired Unit in California Shut April 25**

According to the California Independent System Operator, the unit experienced an unplanned outage on April 25.

<http://www.caiso.com/unitstatus/data/unitstatus200804251515.html>

### **City of Vernon's 134 MW Malburg Gas-fired Unit in California Returns to Service April 25**

According to the California Independent System Operator, the unit experienced an unplanned outage on April 25.

<http://www.caiso.com/unitstatus/data/unitstatus200804251515.html>

### **Exelon's 1,134 MW Limerick Nuke Unit 2 in Pennsylvania at Full Power April 28**

According to the Nuclear Regulatory Commission, the unit was reduced to 22 percent operating capacity on April 27 after operating at 100 percent capacity on April 26.

Information derived from NRC Power Reactor Status Reports:

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

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

### **FirstEnergy's 882 MW Davis-Besse Nuke Unit in Ohio at Full Power April 27**

According to the Nuclear Regulatory Commission, the unit was operating at 66 percent on April 26 after operating at 100 percent capacity on April 25.

Information derived from NRC Power Reactor Status Reports:

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

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

### **Update: Luminant's 750 MW Martin Lake Coal-fired Unit 3 Returns to Service April 25**

The unit returned to service following repairs to fix a boiler tube leak.

Reuters, April 25, 2008

### **Orion Energy's Benton Wind Farm in Indiana Now in Commercial Operation**

Orion Energy's Benton wind farm currently is comprised of 54 turbines all of which are in operation, supplying power to Duke Energy. Another 33 turbines will go on line in the near future.

<http://www.duke-energy.com/news/releases/2008042401.asp?sec=content>

### **PECO Energizes First of Five New Distribution Circuits at Southwark Substation in Pennsylvania April 25**

The Southwark substation will relieve electric load on other substations in the South Philadelphia area and ensure reliability for the growing electric demand.

<http://www.poweronline.com/content/news/article.asp?DocID={6D4EB718-A79E-4B09-810E-791FB0683A2A}&Bucket=Current+Headlines>

### **Nuclear Energy Institute Survey Finds 59 Percent of Americans Support Building More U.S. Nuclear Power Plants**

A recent survey administered by the Nuclear Energy Institute (NEI) found that fifty-nine percent of Americans surveyed said the United States should definitely build more nuclear power plants. Of those surveyed, seventy-nine percent support the use of federal incentives to promote the development of carbon-free energy technologies, including nuclear.

<http://www.platts.com/Nuclear/News/7940625.xml?p=Nuclear/News&sub=Nuclear>

## **Petroleum**

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### **TransCanada Plans 750,000 b/d Oil Pipeline to Texas from Alberta**

As TransCanada breaks ground on its new Keystone pipeline from Illinois to Oklahoma, the company is planning another new oil pipeline with a route that would transport crude from Alberta to Texas able to serve the refineries on the Gulf of Mexico. TransCanada will hold an open season in the next few months to gauge shipper support for the pipeline and told the press the line could be in service by 2012.

Reuters, 15:03 April 25, 2008

### **American Truckers Association Calls for Government Action to Help Stabilize Petroleum Market**

A top trucking executive testified on behalf of the American Trucking Associations (ATA) April 24 before a House Select Committee on Energy Independence and Global Warming made a variety of recommendations calling for Federal action to bring down the price of diesel fuel and to help alleviate trucking companies' hardships. The trucking industry is making efforts to limit fuel consumption by lowering speed limits and utilizing equipment to reduce idling, but calls for the federal government to take other actions including a halt to filling the Strategic Petroleum Reserve (SPR) and to instead release crude to the markets.

[http://www.downstreamtoday.com/News/Articles/200804/Truckers\\_Group\\_Calls\\_for\\_Release\\_of\\_Cru\\_10413.aspx](http://www.downstreamtoday.com/News/Articles/200804/Truckers_Group_Calls_for_Release_of_Cru_10413.aspx)

### **ExxonMobil Affiliate Esso Begins Production on Erha Deepwater Development Located 60-miles Offshore Nigeria April 28**

ExxonMobil affiliate Esso Exploration and Production Nigeria Limited (EEP NL) has started production from the Erha deepwater development where production is expected to ramp up to 150,000 b/d by third quarter 2008. Erha and Erha North, a satellite development, will together produce a total production output of 190,000 b/d.

[http://www.businesswire.com/portal/site/exxonmobil/index.jsp?ndmViewId=news\\_view&ndmConfigId=1001106&newsId=20060428005124&newsLang=en](http://www.businesswire.com/portal/site/exxonmobil/index.jsp?ndmViewId=news_view&ndmConfigId=1001106&newsId=20060428005124&newsLang=en)

## **Natural Gas**

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### **Gulfstream Natural Gas System Begins Construction on Phase IV Expansion in Florida**

Construction has begun on the 17.8-mile natural gas pipeline expansion project, known as Phase IV. Phase IV is designed to increase Gulfstream's system capacity by approximately 155,000 Dth/day by way of a 20-inch diameter pipeline from Tampa Bay to supply gas to the Bartow power plant in Florida.

<http://www.gulfstreamgas.com/newsreleases/100407.htm>

MarketWire, 05:30 April 28, 2008

### **Enterprise's Pioneer Gas Processing Facility in Wyoming Returns to Service April 24**

The plant was taken out of service March 27 as a result of a fire in a gas handling area within the plant. The facility resumed commercial operations April 24 following completion of repairs. The facility processed approximately 560 MMcf/d of natural gas and extracts approximately 200,000 b/d of natural gas liquids (NGLs).

[http://www.downstreamtoday.com/News/Articles/200804/Enterprise\\_Resumes\\_Service\\_At\\_Wyo\\_Proce\\_10418.aspx](http://www.downstreamtoday.com/News/Articles/200804/Enterprise_Resumes_Service_At_Wyo_Proce_10418.aspx)

## **Other News**

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### **Majority of Locks and Dams on Upper Mississippi River Closed to Barge Traffic due to Flooding, Army Corps of Engineers Reports**

Bouts of heavy rain across Iowa and Missouri in the recent weeks have caused the water levels in the upper portion of the Mississippi River to rise, closing most locks and dams to barge traffic. The Army Corps of Engineers reports that some locks may remain shut until May 9, as the surge of water moves through the river system. Each lock will only be closed for a few days as water surges through each lock area.

Reuters, 18:34 April 25, 2008

## **Update: Construction Schedule for BP's Prudhoe Bay Gas and Oil Processing Facility in Alaska Slips One Year Behind**

BP's planned Prudhoe Bay oil and gas processing facility is designed to create efficiencies in the Prudhoe field pipeline and gas handling facilities by removing gas so that only oil is shipped from the west end through the field pipelines. The original scheduled construction plan was for large modules for the project to be moved via barge to the North Slope in 2010, but the sealift with barges is now planned for 2011.

[http://www.alaskajournal.com/stories/042708/hom\\_20080427043.shtml](http://www.alaskajournal.com/stories/042708/hom_20080427043.shtml)

## **Massey Energy Plans to Increase Coal Production 25 Percent by 2010 – Expects to Open One New Coal Mine Every 17 Days**

Massey Energy Company unveiled its plan to up coal production by 25 percent by 2010 as it expects to open a new coal mine at a rate of one every 17 days. The expansion is centered on underground coal mines. Massey currently operates 19 mining complexes in West Virginia, Virginia and Kentucky.

<http://wvgazette.com/News/200804250602>

## **Texas Governor Perry Requests EPA Waiver on Ethanol Mandate**

Governor Perry of Texas recently sent a letter to the Environmental Protection Agency (EPA) requesting a waiver on the federal ethanol mandate to produce 9 billion gallons of ethanol by year's end 2008 and 11 billion gallons in 2009. He urged the Bush administration to waive 50 percent of the requirement for production of ethanol from plants. Governor Perry argued in the letter that the focus on ethanol as an alternative fuel has contributed to worldwide price inflation and is hurting Texans.

[http://www.upi.com/NewsTrack/Business/2008/04/27/gov\\_perry\\_seeks\\_ethanol\\_waiver/5590/](http://www.upi.com/NewsTrack/Business/2008/04/27/gov_perry_seeks_ethanol_waiver/5590/)

## **Energy Prices**

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<b>U.S. Oil and Gas Prices</b>			
April 28, 2008			
	<b>Today</b>	<b>Week Ago</b>	<b>Year Ago</b>
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	118.76	116.01	65.73
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	10.72	10.08	7.60

Source: Reuters

## **Energy Notes**

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### **Update: FERC Suspends Quoddy Bay LNG's Application Review for LNG Terminal in Maine on Insufficient Information**

<http://www.energycurrent.com/index.php?id=3&storyid=10211>

[http://www.downstreamtoday.com/News/Articles/200804/FERC\\_Halts\\_Quoddy\\_Bay\\_Review\\_10422.aspx](http://www.downstreamtoday.com/News/Articles/200804/FERC_Halts_Quoddy_Bay_Review_10422.aspx)

### **Fire Stricken Utility Pole Knocks Out Power to 12,000 Hydro One Customers in Ontario April 28**

<http://www.eastottawa.ca/article-cp21474017-Power-outages-hit-more-than-12000-Hydro-One-customers-in-central-Ontario.html>

### **Severe Storms and Tornado Leave 11,000 We Energies Customers and 5,000 Alliant Energy Customers without Power in Wisconsin April 25**

<http://www.todaystmj4.com/news/local/18220184.html>

**Update: FERC Issues Favorable Draft Environmental Impact Statement on Sparrow's Point LNG Terminal in Maryland**

[http://www.examiner.com/a-1361432~Regulators\\_recommend\\_approval\\_of\\_LNG\\_terminal.html](http://www.examiner.com/a-1361432~Regulators_recommend_approval_of_LNG_terminal.html)

**Update: Pending Kansas Department of Health and Environment Administrative Hearings and District Court Decisions, Kansas Supreme Court Puts Coal-plant Cases on Hold**

<http://channels.isp.netscape.com/pf/story.jsp?floc=FF-APO-1333&idq=/ff/story/0001%2F20080425%2F1606467814.htm&sc=1333>

## **Links**

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***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](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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