



# ENERGY ASSURANCE DAILY

Monday, May 07, 2007

## ***Electricity***

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### **Tornado Destroys Kansas Town May 4, Most Structures Unable to Receive Electricity**

A tornado ripped through portions of Kansas on May 4, causing severe damage and knocking out power to the entire city of Greensburg (1,500 residents). According to Southern Pioneer Electric Company, the utility serving the town, the majority of structures are no longer able to receive power and initial assessments found approximately 8 miles of power lines are down. Because much of the city has been destroyed, the company is unable to provide estimates on restoration until a full assessment has been made and the utility has met with state and emergency officials. Crews from Liberal, Kansas will assist in the restoration. Once the assessment is complete, crews from other areas will be called on to assist in the restoration. Other utilities in the area also reported scattered outages.

<http://www.southernpioneer.net/default.aspx>

### **Update: Oncor Completes Storm Restoration in Texas over Weekend**

On May 5, Oncor Electric Delivery estimated that power would be restored to all customers whose homes were able to take electric service by 10 p.m. local time that night. At 4 p.m. local time May 5, fewer than 4,000 customers in Dallas/Fort Worth were without service, down from 300,000 at the peak of the storm related outages. Early estimates indicated repairs might take up to a week to fully restore power to those affected by the storm of May 2.

<http://www.txelectricdelivery.com/about/newsroom/detail.asp?prid=1063>

### **NYISO Report Urges Improvements to Natural Gas Supply Infrastructure to Serve State Electricity Market**

The New York Independent System Operator's annual report, released last week, noted several areas of deficiency including an increasing dependence on natural gas for electricity generation that leaves New York's wholesale electricity markets vulnerable to price volatility. The report recommended pipeline infrastructure improvements to address the situation and said that additional liquefied natural gas (LNG) facilities should be developed in the United States.

Report: [http://www.nyiso.com/public/webdocs/newsroom/press\\_releases/2007/nyiso\\_ptrends07\\_final.pdf](http://www.nyiso.com/public/webdocs/newsroom/press_releases/2007/nyiso_ptrends07_final.pdf)

[http://albany.bizjournals.com/albany/stories/2007/04/30/dail\\_y43.html](http://albany.bizjournals.com/albany/stories/2007/04/30/dail_y43.html)

### **Update: Southern's 1,149 MW Vogtle Nuke Unit 2 in Georgia Ramps up to 88 Percent April 7**

According to a report filed with the Nuclear Regulatory Commission, the unit was operating at 88 percent of capacity by early morning on May 7, up from 30 percent on May 4. The unit had been shut on April 23 to correct a problem with a generator ground relay.

Reuters, 07:45 May 7, 2007

### **Entergy Louisiana's 966 MW River Bend Nuke Unit in Louisiana Reduced to 16 Percent May 7**

According to a report filed with the Nuclear Regulatory Commission, the unit which had been operating at full power on May 4 was cut to 16 percent of capacity by early morning on May 7.

Reuters, 08:27 May 7, 2007

### **Update: International Power's 632 Coletto Creek Coal-fired Unit in Texas Restarts May 3-4**

The unit restarted successful after two previous restart attempts following an outage caused by a problem with the turbine system.

Reuters, 09:39 May 7, 2007

### **TXU's 545 MW Sandow Coal-fired Unit 4 in Texas Seen Back Soon**

The unit was shut on May 4 to repair a boiler tube leak and is now expected to be back in service soon according to a report filed with state regulators.

Reuters, 19:35 May 4, 2007

### **TXU's 575 MW Big Brown Coal-fired Unit 2 in Texas Remains Closed May 4-5**

The unit was closed on May 3 for maintenance work and TXU kept the plant closed on May 4 and 5 for additional work.

Reuters, 09:49 May 7, 2007

### **Exelon's 867 MW Dresden Nuke Unit 2 in Illinois Shut May 4**

Reuters, 11:11 May 7, 2007

### **Complete's 260 MW LaPaloma Gas-fired Unit 1 in California Shut May 7**

Reuters, 20:30 May 4, 2007

### **Calpine's 297 MW Los Medanos Gas-fired Unit in California Shut May 7**

Reuters, 20:30 May 4, 2007

### **Sempra's 318 MW Palomar Gas-fired Unit in California Shut May 6**

Reuters, 11:11 May 7, 2007

### **AEP Awards Contract to Build New 600 MW Turk Power Plant in Arkansas**

American Electric Power's Southwestern Electric Power Company (SWEPCO) has awarded The Shaw Group Inc. of Baton Rouge, La. the engineering, procurement and construction (EPC) contract to build the John W. Turk, Jr. Power Plant, a new 600 MW coal-fueled power plant at Fulton, Ark., in Hempstead County near Texarkana. SWEPCO is seeking the necessary regulatory approvals to build the plant from various Arkansas, Texas and Louisiana authorities. The plant is scheduled to be completed in mid-2011.

<http://www.aep.com/newsroom/newsreleases/default.asp?dbcommand=DisplayRelease&ID=1367>

### **Connecticut DPUC Approves Four Power Projects May 4**

The Connecticut Department of Public Utility Control has approved four power projects, including a natural gas-fired plant in Middletown, an oil-fired plant for peak power demand in Stamford, a natural gas-fired peak demand plant in Waterbury. In addition, the fourth project consists of a statewide energy efficiency initiative to replace inefficient lighting and air conditioning units.

[http://pro.energycentral.com/professional/news/power/news\\_article.cfm?id=8234956](http://pro.energycentral.com/professional/news/power/news_article.cfm?id=8234956)

### **Energy Alberta Corp. Plans 2,200 MW Candu Nuclear Power Plant in Alberta**

The company is planning to build a new nuclear power plant with two units in either Whitecourt or Peace River in northwestern Alberta. The Canadian Nuclear Safety Commission said that construction could begin in three years if all regulatory approvals are received. The company faces a long and arduous regulatory process.

[http://pro.energycentral.com/professional/news/power/news\\_article.cfm?id=8236389](http://pro.energycentral.com/professional/news/power/news_article.cfm?id=8236389)

## ***Petroleum***

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### **FCCU Back at Reduced Rate at Valero's 250,000 b/d St. Charles Refinery in Louisiana May 7**

On May 7, Valero announced that the fluid catalytic cracking unit (FCCU) at its 250,000 b/d St. Charles refinery in Louisiana was back in operation but running at a reduced rate of operation. The company did not specify how much material was being produced by the 100,000 b/d unit but did indicate that the unit was expected to return to full capacity very soon.

Reuters, 09:58 May 7, 2007

## **Update: Gary Williams 55,000 b/d Wynnewood Refinery in Oklahoma Back in Operation May 7**

According to the company, the plant is operating at 65 percent of capacity. A tank fire occurred at the plant following a lightning strike on April 27.  
Reuters, 13:19 May 7, 2007

## **Power Lost at Sunoco's 85,000 b/d Tulsa Refinery in Oklahoma May 7**

Power to the refinery was lost for at least 2 hours when lightning struck the facility.  
Bloomberg News, 12:49 May 7, 2007

## **CDU Fire at Silver Eagle's 11,000 b/d Wood Cross Refinery in Utah May 6**

An explosion and subsequent fire hit a heating furnace at the refinery Sunday night. The fire was contained within fifteen minutes and was contained to the crude distillation unit (CDU) but no specific damage estimates have been made though the refinery is continuing to operate other unaffected units. The refinery produces mostly distillates for the region.

OPIS Alert, 08:58 May 7, 2007

## **Update: 2-3 Week CDU Restart Seen at ExxonMobil's Jurong Island Refinery in Singapore**

According to industry sources, ExxonMobil is expected to restart the 115,000 b/d crude distillation unit (CDU) at its Jurong Island Singapore refinery in two to three weeks following a fire, which occurred on May 3. Market analysts don't see the shutdown significantly affecting the petroleum products market or forcing Exxon Mobil to declare force majeure.

[http://www.dailytimes.com.pk/default.asp?page=2007%5C05%5C05%5Cstory\\_5-5-2007\\_pg5\\_29](http://www.dailytimes.com.pk/default.asp?page=2007%5C05%5C05%5Cstory_5-5-2007_pg5_29)

Oil Daily, May 7, 2007

## **Protests Halt Output at 42,000 b/d Chevron Flow Station in Nigeria May 7**

According to Reuters, villagers armed with sticks and machetes staged a protest at Chevron's 42,000 b/d Abiteye flow station, which feeds the 160,000 b/d Escravos crude oil export terminal in the Niger Delta. According to an unnamed source, Nigerian government security forces were brought in over the weekend and Chevron has not lost control of the facility. In 2006 the United States imported roughly 1 million b/d of crude from Nigeria.

[http://www.khaleejtimes.com/DisplayArticleNew.asp?xfile=data/world/2007/May/world\\_May207.xml&section=world&col](http://www.khaleejtimes.com/DisplayArticleNew.asp?xfile=data/world/2007/May/world_May207.xml&section=world&col)

<http://tonto.eia.doe.gov/dnav/pet/hist/mcrimusni2m.htm>

Reuters, 06:29 May 7, 2007

## **Militants Attack 200,000 b/d Brass Crude Export Terminal in Nigeria May 5**

Security forces report that militants attacked the 200,000 b/d Brass crude oil export terminal off the coast of the Niger Delta on May 5. The attack also involved the kidnapping of two workers from a nearby drilling rig. The terminal is operated by the Italian company Agip, a subsidiary of Italy's Eni.

Reuters, 04:54 May 7, 2007

## **Bomb Attack on Iraq's Northern Crude Oil Pipeline to Turkey Foiled May 7**

According to the Iraqi Army, four Iraqis were arrested May 7 after troops found about 150 kilograms of TNT planted under a stretch of pipeline in the al-Kisk area. The explosives were removed and safely destroyed. The targeted pipeline carries Iraqi crude oil to the Turkish port of Ceyhan and according to EIA has an optimal capacity to transport 1.6 million b/d. However, the export route has only been open sporadically since June 2003 and current effective capacity on the line is believed to be only 800,000 b/d.

<http://www.albawaba.com/en/countries/Iraq/212630>

<http://www.eia.doe.gov/emeu/cabs/Iraq/Oil.html>

## **Unplanned Maintenance Curbed Suncor's April Oil Sands Production**

Suncor Energy Inc. reported today that production at its oil sands facility during April averaged approximately 218,000 b/d. Production was lower than expected due to unplanned maintenance. The maintenance is now substantially complete and operations have ramped back up to normal volumes. Suncor is targeting average oil sands production of 255,000 to 265,000 b/d in 2007. This production target was revised on April 26, 2007 from an original target of 260,000 to 270,000 b/d.

[http://www.suncor.com/links\\_popup.aspx?ID=3081](http://www.suncor.com/links_popup.aspx?ID=3081)

### **Total SA Plans 200,000 b/d Oil Sands Upgrader in Alberta**

On May 7, Total SA announced that it plans to construct a 200,000 b/d oil sands upgrading unit that will produce synthetic light crude oil from the company's oil sands production. By 2013 or 2014, the project will complete phase 1 which will have an initial capacity of 130,000 b/d.

Reuters, 11:57 May 7, 2007

### **Cold Lake Pipeline to Build 13,500 b/d Pipeline Lateral Serving Shell Canada's Orion Oil Sands Project in Alberta**

Inter Pipeline Fund announced May 7 that the Cold Lake Pipeline Limited Partnership will build a new pipeline lateral consisting of two 5-kilometre pipelines and associated pump and measurement facilities to connect Shell Canada Energy's Orion oil sands project and the 325,000 b/d Cold Lake Pipeline system in east central Alberta. New pipeline and related facilities will transport approximately 13,500 b/d of blended bitumen from the first phase of the Orion project. Under a long term shipping agreement, Shell Canada has the option to transport up to 30,000 b/d of blended bitumen through the phased expansion of the Orion project. Construction is expected to be completed by the third quarter of 2007.

[http://interpipelinefund.com/news/2007/05\\_07\\_07.php](http://interpipelinefund.com/news/2007/05_07_07.php)

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## **Natural Gas**

### **Vector Pipeline Holding Open Season for 230 MMcf/d of New System Capacity in Midwest**

Vector Pipeline L.P. announced May 1 that it plans to hold a binding Open Season in June 2007 to secure shipper interest in expanding the capacity of the Vector Pipeline for up to an additional 230 MMcf/d. Currently, Vector Pipeline is being expanded (Phase I) from its nominal capacity of 1 Bcf/d to approximately 1.2 Bcf/d through the addition of two new compression stations, which now are under construction and projected to be in service November 1, 2007. The proposed Phase II expansion of 100 to 230 MMcf/d would require, at a minimum, the construction of another compression station along the existing pipeline. The Vector Pipeline System – constructed in 2000 – consists of 349 miles of mainline natural gas transmission pipeline between the Chicago Hub and the storage complex at Dawn, Ontario.

<http://www.vector-pipeline.com/media.asp>

### **IEA Worried About Global Natural Gas Supplies over Medium to Longer Term**

The International Energy Agency (IEA) has launched its second Natural Gas Market Review. IEA Executive Director Claude Mandil said that the group sees cost increases and delays as the major threats to secure affordable global gas supplies over the medium to longer term. IEA is urging member governments to streamline regulations, improve market transparency, and increase domestic production. The IEA is urging Non-IEA countries to improve transparency of reserves, investments and production capacity.

[http://www.iea.org/Textbase/press/pressdetail.asp?PRESS\\_REL\\_ID=223](http://www.iea.org/Textbase/press/pressdetail.asp?PRESS_REL_ID=223)

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## **Other News**

### **R.E. Ginna Nuclear Power Plant in New York to Receive Additional NRC Oversight**

Constellation Energy's R.E. Ginna nuclear power plant in New York will receive additional oversight from the Nuclear Regulatory Commission (NRC) as of the end of the first quarter of 2007 because its performance indicator for emergency response organization drill participation changed from "green" to "yellow." The NRC changed the plant's performance indicator because Constellation's emergency drill participation rate dropped below 60 percent because the company did not recognize that a group of newly qualified control room communicators – a key emergency response organization position – although qualified during the first quarter of 2007 did not take part in a subsequent drill in the same quarter.

<http://www.nrc.gov/reading-rm/doc-collections/news/2007/07-026.i.html>

### **Andersons 110 Million Gallon Per Year Ethanol Plant in Indiana Comes On-line**

Reuters, 12:48 May 7, 2007

## Energy Prices

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<b>U.S. Oil and Gas Prices</b> May 7, 2007			
	<b>Today</b>	<b>Week Ago</b>	<b>Year Ago</b>
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	61.48	64.43	69.75
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	7.69	7.70	6.54

Source: Reuters

## Energy Notes

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### **Subsea Earthquakes in Gulf of Mexico Discussed at Oil and Gas Industry's Offshore Technology Conference in Houston**

Conference Website: <http://www.otcnet.org/2007/index.html>

[http://www.rigzone.com/news/article.asp?a\\_id=44733](http://www.rigzone.com/news/article.asp?a_id=44733)

### **Potential Earthquake is Biggest Obstacle for Proposed Nuclear Fuel Recycling Plant in Paducah, Kentucky**

[http://pro.energycentral.com/professional/news/power/news\\_article.cfm?id=8241371](http://pro.energycentral.com/professional/news/power/news_article.cfm?id=8241371)

### **CMS Energy Pulling Out of Peabody's 1,600 MW Prairie Island Coal-fired Power Plant Project in Illinois**

<http://www.platts.com/Coal/News/6380856.xml?p=Coal/News&sub=Coal>

### **Kuwait Oil Company Says Fire at Burgan Oil Field May 7 Has No Affect on Production**

Reuters, 05:49 May 7, 2007

### **Bodman to Meet Qatar Oil Minister on Energy Security**

[http://www.rigzone.com/news/article.asp?a\\_id=44789](http://www.rigzone.com/news/article.asp?a_id=44789)

### **PetroChina Confirms 2.98-Billion-Barrel Offshore Oil Discovery in China's Bohai Bay**

Oil Daily, May 7, 2007

### **Pemex Considering Building Two New Refineries in Mexico**

Oil Daily, May 7, 2007

### **Belarus Diesel Pipeline Reopens after Closure for Leak May 6**

Reuters, 03:33 May 7, 2007

Reuters, 07:04 May 5, 2007

## 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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