



# ENERGY ASSURANCE DAILY

Friday Evening, May 09, 2008

## ***Electricity***

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### **Heavy Thunderstorms Leave 32,000 Duke Energy Customers without Power in North Carolina May 9**

Heavy thunderstorms swept through central North Carolina beginning during the evening of May 8 and continuing into the morning of May 9; at the height of the storm, 32,047 Duke Energy customers were without electricity. As of 3:00 PM EDT May 9, restoration efforts reduced that number to 10,687.

<http://www.duke-energy.com/outages/map/default.htm?sec=content>  
[http://www.fayobserver.com/article\\_ap?id=122549](http://www.fayobserver.com/article_ap?id=122549)

### **OPG's 494 MW Lambton 2 Coal-fired Unit in Ontario Shut May 9**

Reuters, 9:12 May 9, 2008

### **TransAlta's 280 MW Sundance 1 Coal-fired Unit in Alberta Shut May 9**

Reuters, 9:12 May 9, 2008

### **Update: NAESC's 1,155 MW Seabrook Nuke Unit 1 in New Hampshire Ramped Up to 38 Percent May 9**

According to the Nuclear Regulatory Commission, the unit was operating at 14 percent on May 8. Information derived from NRC Power Reactor Status Reports:

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

### **Update: Exelon's 1,131 MW Byron Nuke Unit 2 in Illinois Reduced to 90 Percent May 9**

The unit was reduced for valve testing, according a company representative. The Nuclear Regulatory Commission reports the unit was operating at 100 percent on May 8.

Information also derived from NRC Power Reactor Status Reports:

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

Bloomberg, May 9, 2008

### **ISO New England's May 8 Power Watch Lifted for Northeast Massachusetts and Boston**

New England's power grid operator, ISO New England issued a power watch for northeast Massachusetts and Boston beginning in the afternoon of May 8. A combination of unplanned generation and transmission outages led to the declaration. Effective 10:00 PM May 8, the power watch that was lifted and all available electricity resources have returned to normal levels.

[http://www.iso-ne.com/nwsiss/pr/2008/power\\_watch\\_lifted\\_05\\_08\\_08.pdf](http://www.iso-ne.com/nwsiss/pr/2008/power_watch_lifted_05_08_08.pdf)

<http://www.iso-ne.com/nwsiss/pr/2008/050808powerwatch.pdf>

<http://www.platts.com/Electric%20Power/News/6871580.xml?p=Electric%20Power/News&sub=Electric%20Power>

## ***Petroleum***

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### **Update: Chevron's 220,000 b/d Pembroke, United Kingdom Refinery to Resume Operations May 9**

On April 29 the discovery of a fault within a steam unit prompted Chevron to stop all production at its Pembroke refinery. On May 9, Chevron announced that the unit has been repaired and the refinery will restart with full production to return early during the week of May 12.

Bloomberg, 11:38 May 9, 2008

### **CDU Shut at HOVENSA's 545,000 b/d St. Croix, U.S. Virgin Islands Refinery May 9**

HOVENSA, the joint venture between Hess Corporation and Petroleos de Venezuela S.A. (PDVSA), has shut a 180,000 b/d crude distillation unit (CDU) at its St. Croix refinery. Traders report the closure was due to unspecified operational problems. HOVENSA reportedly was offering an unspecified volume of crude in the Gulf Coast spot market late May 8.

OPIS Alert, 10:23 May 9, 2008

### **Update: Repairs Completed on Coker Drums at Valero's 255,000 b/d Port Arthur, Texas Refinery May 9**

A Valero representative reports that repairs to six coker drums on the delayed coker unit have been completed at the Port Arthur refinery, the repairs began in February. The coker is running at full rates of 100,000 b/d.

Bloomberg, 11:18 May 9, 2008

### **Update: Shell's Nigeria Output Seen Returning to Normal Rates within Two Weeks – Nigerian Official Says**

According to the director of petroleum resources for Nigeria, Shell's Nigerian oil output is seen to return to normal rates within the next two weeks. Shell's output has been cut over the past month due to a stream of militant activities to its oil infrastructure through the oil-producing Niger Delta. Shell reports it lost an average of 156,000 b/d of its Nigerian production in the first quarter due to the militant activity.

Bloomberg, 15:45 May 8, 2008

### **Update: PdVSA Seeks Full Operational Control of ExxonMobil/PdVSA's 200,700 b/d Chalmette, Louisiana Refinery May 8**

Petroleos de Venezuela, S.A. (PdVSA) is pressuring ExxonMobil to give up operation of the jointly-owned and operated Chalmette refinery in Louisiana as part of a feud that began in 2007. PdVSA is suggesting its Citgo Petroleum Corp to become the unit's operator.

<http://www.chron.com/disp/story.mpl/business/5766220.html>

### **Suncor Reports Year-to-Date 2008 Production Average of 241,000 b/d from Oil Sands Project in Alberta**

Suncor Energy reported today that production at its oil sands facility in the month of April 2008 averaged approximately 223,000 b/d with year-to-date oil sands production at the end of April averaging about 241,000 b/d. Suncor is targeting its oil sands production to average between 275,000 and 285,000 b/d in 2008.

<http://www.suncor.com/start.aspx>

### **Brazil Seeks OPEC Membership, President Lula da Silva Says**

Brazil is seeking to join the Organization of Petroleum Exporting Countries (OPEC). Specifically mentioning the beginning oil production from Brazil's massive offshore Tupi field in 2010, President Lula da Silva told reporters it will make the country into a large oil exporter with Tupi's estimated reserves potentially holding up to 8 billion barrels of oil equivalent.

<http://www.platts.com/Oil/News/8722315.xml?p=Oil/News&sub=Oil>

### **Fresno County Planning Commission Approves Chevron's 57-mile Pipeline Plan to Transport Crude from San Ardo Field to Richmond, California Refinery May 8**

Chevron's pipeline plan gained unanimous approval May 8 from Fresno County's Planning Commission. Chevron plans to build a 57-mile 4,000 – 32,000 b/d pipeline to transport hot heavy crude oil from the San Ardo oil fields to its 243,000 b/d refinery in Richmond, California.

<http://www.fresnobee.com/263/story/587944.html>

## ***Natural Gas***

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Nothing to report.

## Other News

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### U.S. Oil and Natural Gas Drilling Costs Reach All-time Highs, API Reports

The American Petroleum Institute (API) reports the costs associated with drilling and equipping oil and gas wells in the U.S. reached an all-time high in 2006, with an increase of 44%. Spending in 2006 totaled nearly \$110 billion coinciding with an increase in the number of wells and total footage drilled.

[http://www.ogj.com/display\\_article/328183/7/ARTCL/none/none/API:-US-oil,-gas-drilling-costs-reach-all-time-high/?dcmp=OGJ.Daily.Update](http://www.ogj.com/display_article/328183/7/ARTCL/none/none/API:-US-oil,-gas-drilling-costs-reach-all-time-high/?dcmp=OGJ.Daily.Update)

## Energy Prices

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U.S. Oil and Gas Prices			
May 9, 2008			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> West Texas Intermediate U.S. \$/Barrel	124.74	115.64	61.10
<b>NATURAL GAS</b> Henry Hub \$/Million Btu	11.33	10.66	7.50

Source: Reuters

## Energy Notes

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### FPL Power Line Problems Knock out Power to 20,000 Lee County Electricity Cooperative Customers in Florida May 8

<http://www.nbc-2.com/articles/readarticle.asp?articleid=19110&z=3>

### Sinkhole in Oil Field Near Houston, Texas Engulfs Pipeline Racks, Storage Tanks and Utility Poles

[http://www.downstreamtoday.com/News/Articles/200805/Sinkhole\\_Near\\_Houston\\_Engulfs\\_Pipeline\\_R\\_10707.aspx](http://www.downstreamtoday.com/News/Articles/200805/Sinkhole_Near_Houston_Engulfs_Pipeline_R_10707.aspx)

### ConocoPhillips Confirms Shutdown of J-Block North Sea Oil and Gas Fields May 9

<http://news.morningstar.com/newsnet/ViewNews.aspx?article=/DJ/200805091038DOWJONESDJONLINE000664univ.xml>

### PdVSA Plans to Increase its 65,000 b/d Petrolera Sinovensa Oil Project in Venezuela to 110,000 b/d within Three Months – Company Official

Reuters, 17:50 May 8, 2008

### Majority of Oil and Gas Execs Predict Price of Oil to Fall Below \$100 by Year's End, KPMG Survey Finds

<http://www.prnewswire.com/cgi-bin/stories.pl?ACCT=104&STORY=/www/story/05-09-2008/0004810158&EDATE=>

### PJM Interconnection's Current Mechanism Deemed Insufficient for Encouraging New Development in Maryland, Mirant CEO Says

<http://www.platts.com/Electric%20Power/News/6871409.xml?p=Electric%20Power/News&sub=Electric%20Power>

## 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**

*Energy Assurance Daily* provides a summary of public information concerning current energy issues. Published Monday through Friday to inform stakeholders of developments affecting energy systems, flows, and markets, it provides highlights of energy issues rather than a comprehensive coverage. *Energy Assurance Daily* is updated online Monday through Friday after 5:00 p.m. EST. For more information, visit the Infrastructure Security and Energy Restoration (ISER) website at:

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

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