



# ENERGY ASSURANCE DAILY

Wednesday, May 23, 2007

## *Electricity*

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### **ERCOT Fails to Attract Enough Bids for Summer Emergency Power Reduction Program**

The Electric Reliability Council of Texas (ERCOT) failed to attract enough bids to begin a new power-reduction program that would pay commercial customers to curtail power use when generation supply is strained. The program was proposed by ERCOT last year as an additional mechanism to prevent blackouts in the State during the summer months when demand electricity demand for air-conditioning use is high. ERCOT had sought 500 MW to 1,000 MW of curtailment bids but only received 213 MW.

Reuters 18:02 May 22, 2007

### **California PUC Report Concludes New San Diego Power Line Unnecessary for Now**

The Division of Ratepayer Advocates, an agency within the California Public Utilities Commission (CPUC), has concluded that the Sunrise Powerlink transmission line proposed by San Diego Gas & Electric (SDG&E) will not be necessary until 2015, well after the time when the company has said the line will be needed to meet peak demand loads. The CPUC is analyzing the project and preparing to hold hearings in July. The CPUC will then decide whether to issue a license for the line's construction in January 2008.

[http://www.nctimes.com/articles/2007/05/22/news/top\\_stories/1\\_01\\_565\\_21\\_07.txt](http://www.nctimes.com/articles/2007/05/22/news/top_stories/1_01_565_21_07.txt)

### **Avista Utilities' Transmission Upgrade Project Nearing Completion**

A five-year upgrade project, begun in 2003 and designed to improve system reliability and increase the capability to handle growth in Washington and Idaho, is nearly complete adding more than 100 miles of 230-kilovolt transmission line and replacing another 50 miles of transmission line. Avista is also constructing new substations as part of the project, which is scheduled for completion by the end of 2007.

<http://www.spokesmanreview.com/local/story.asp?ID=190951>

### **Entergy's 966 MW River Bend Nuke Unit in Louisiana Shut May 23**

Reuters, 08:24 May 23, 2007

## *Petroleum*

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### **Boiler Problems Completely Shut Valero's 245,000 b/d Texas City, Texas Refinery May 23 Shutdown Expected to Last 24 Hours - Traders**

According to traders Valero completely shut its Texas City refinery due to steam boiler problems. Some traders said they expected the shutdown to last 24 hours.

Reuters, 12:37 May 23, 2007

### **Boiler Repairs Cut Rates to FCC Unit at Delek's 55,000 b/d Tyler, Texas Refinery May 22**

According to a filing with Texas regulators, the company cut rates to the fluidic catalytic cracking (FCC) unit due to repairs to a boiler. The filing said that the No. 9 boiler feeding the FCC unit would be shut for 24 hours beginning 7:00 a.m. CDT on Tuesday. According to Energy Information Administration, the refinery has a fresh feed catalytic cracking capacity of 20,250 b/d.

Reuters, 14:52 May 22, 2007

### **Operational Glitch Briefly Shuts SRU at Delek's 55,000 b/d Tyler, Texas Refinery May 20**

According to a filing with Texas regulators, Delek shut sulfur recovery unit (SRU) No. 2 for about 10 minutes due to an operational problem with the Amine Regenerator System.

Reuters, 08:32 May 23, 2007

### **Update: CDU Restarted at ExxonMobil's Singapore Refinery May 21**

According to a company spokesman, the 124,000 b/d crude distillation unit (CDU) was restarted and is operating normally. The refinery had been idled since a fire on May 3.

<http://www.forbes.com/business/feeds/afx/2007/05/21/afx3740433.html>

Bloomberg, 03:06 May 21, 2007

### **Higher Imports, Greater Refinery Production Boost U.S. Crude and Gasoline Stocks**

According to the Energy Information Administration, commercial crude oil stocks rose last week by 2 million barrels and gasoline stocks rose by 1.5 million barrels. The increases are attributed to a jump in imports and rising fuel production from refineries.

Reuters, 11:12 May 23, 2007

### **Tankers Delivering Gasoline to U.S. Gulf Coast Facing 2-3 Day Delays**

The tanker backlog is attributed to seasonal gasoline stockbuilding before the summer driving season and to more than 16 tankers that were diverted to the U.S. Gulf Coast from the New York Harbor in the past few weeks to take advantage of higher prices in the Midwest. The Midwest gasoline market, which receives much of its transportation fuel by pipeline from the Gulf Coast, is tighter due to a slew of recent Gulf Coast refinery shutdowns.

Reuters, 13:43 May 23, 2007

### **U.S. Federal Trade Commission Finds No Evidence of Illegal Activity by Oil Companies to Cause Record Gasoline Prices**

Reuters, 11:58 May 23, 2007

### **U.S. Holds Naval Drills in the Straits of Hormuz**

Nine U.S. warships, including two aircraft carriers, sailed through the Straits of Hormuz on Wednesday to hold drills off Iran's coast. According to Rear Admiral Kevin Quinn, the exercise was designed to reassure regional allies of the U.S. commitment to Gulf security and to protecting the Straits of Hormuz, through which 40 percent of the world's oil passes.

Reuters, 11:09 May 23, 2007

## ***Natural Gas***

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Nothing to report.

## ***Other News***

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### **U.S. Oil and Gas Industry Prepares for Hurricane Season**

According to a Reuters new story, U.S. Gulf Coast refining and pipeline companies have stocked up on generators, food and trailers this year to keep operations running in the event of a major storm. Offshore operators have increased the number of mooring lines on most mobile drilling rigs from eight to 12 to keep them from breaking free during a storm. Mobile jackup rigs, which are supported by legs set on the ocean floor, are setting decks higher to avoid storm waves. Better planning is also expected to keep jackup rigs out of undersea mudslide areas and minimize risks to pipelines. In the event that a storm hits, oil company officials have put emphasis on keeping oil and gas supply flowing by using backup pipeline routes and ships to move oil if pipelines are out of service.

Reuters, 11:49 May 23, 2007

## Forecasters Predicting Active Atlantic Hurricane Season in 2007

The National Oceanic and Atmospheric Administration's (NOAA) Climate Prediction Center expects a busy hurricane season, calling for 13-17 named tropical storms, 7-10 hurricanes, and 3-5 major hurricanes. The NOAA predicts a 75 percent chance that the 2007 Atlantic hurricane season will be above normal, a 20% chance of a near-normal season and only a 5% chance of a below-normal season. A number of private forecasting groups also anticipate an active hurricane season.

Oil Daily, May 23, 2007

NGI's Daily Gas Price Index, May 23, 2007 <http://intelligencepress.com/>

## Energy Prices

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U.S. Oil and Gas Prices			
May 23, 2007			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	64.83	62.44	71.12
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	7.60	7.68	5.89

Source: Reuters

## Energy Notes

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### Over 10,000 Sierra Pacific Customers Lost Electricity Briefly May 22

<http://news.rgj.com/apps/pbcs.dll/article?AID=/20070523/NEWS10/705230406>

### U.S. House Passes Bill Allowing Government to Sue OPEC for Supply Control and Price Increase

Oil Daily, May 23, 2007

### IEO Forecasts North American Electricity Demand to Increase 1.5 Percent Annually to 2030

[http://pro.energycentral.com/professional/news/power/news\\_article.cfm?id=8326712](http://pro.energycentral.com/professional/news/power/news_article.cfm?id=8326712)

### IEO Forecasts U.S. LNG Supplies to Grow by 50 Percent by 2030

NGI's Daily Gas Price Index, May 23, 2007 <http://intelligencepress.com/>

### Chesapeake Energy Launches Largest Gas Exploration Effort at a Major U.S. Airport

NGI's Daily Gas Price Index, May 23, 2007 <http://intelligencepress.com/>

## 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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*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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