



ENERGY ASSURANCE DAILY

Friday, June 08, 2007

Major Developments

Update: Persian Gulf Oil and Gas Shipping Continues to Recover June 8

Cyclone Gonu's strength was waning June 8 as the storm dissipated over Iran. The storm had been disrupting oil and gas exports from the region since June 5. Current impacts to oil and gas movements:

- **Strait of Hormuz:** Shipping and port sources told reporters June 7 that operations in the Strait of Hormuz, through which 15-17 million barrels of crude oil pass daily, continued without disruption.
- **Oman:** Reuters and Bloomberg New sources report that the Oman's only oil terminal, Mina Al Fahal, which exports approximately 650,000 b/d, resumed partial operations on June 8 after a three-day shutdown. Activity at the terminal remains reduced because equipment is being tested. Oman's Sur LNG terminal, which exports 10 million tons of liquefied natural gas per year, was badly hit and has yet to be reopened.

Sources: http://www.arabianbusiness.com/index.php?option=com_content&view=article&id=14100

Reuters, 13:07 June 8, 2007

Reuters, 03:15 June 8, 2007

Bloomberg News, 06:12 June 8, 2007

Electricity

Severe Storms Knock Out Power to at Least 138,600 Customers in Midwest June 7

A line of severe storms moved across the Midwest June 7, knocking out power to at least 138,600 utility customers in Wisconsin, Illinois, Minnesota, Iowa, Michigan and Indiana. As of Friday morning, 39,200 customers were reported still without power.

Midwest Customer Power Outages			
June 7 – 8, 2007			
Electric Utility	State	Peak Reported	Latest Reported
We Energies	Wisconsin	35,000	2,500
Wisconsin Public Service	Wisconsin	15,000	5,000
Xcel Energy	Wisconsin	5,000	0
ComEd	Illinois	21,800	7,000
Xcel Energy	Minnesota	20,000	3,000
MidAmerican	Iowa	18,200	3,700
Consumers Energy	Michigan	17,200	17,200
Duke Energy	Indiana	6,400	800
TOTAL*		138,600	39,200

*Total outages only represent electric utilities listed in this table.

Sources: <http://www.wbay.com/Global/story.asp?S=6631439>

<http://www.greenbaypressgazette.com/apps/pbcs.dll/article?AID=/20070608/GPG0101/70608015/1206/GPGnews>

<http://www.startribune.com/462/story/1233810.html>

<http://www.woodtv.com/Global/story.asp?S=6630251&nav=0Rce>

<http://www.wbbm780.com/pages/557718.php?contentType=4&contentId=589424>

<http://www.suntimes.com/news/metro/419980.wind060807.article>

<http://qconline.com/archives/qco/display.php?id=341659>

<http://www.jconline.com/apps/pbcs.dll/article?AID=/20070608/NEWS/706080306/1152/NEWS>

<http://www.kcchronicle.com/articles/2007/06/08/news/local/doc466868537bf33663288165.txt>

12,500 BG&E Customers Without Power in Baltimore June 8

The cause of the outage is still under investigation.

<http://www.wmdt.com/wires/displaystory.asp?id=62424023>

<http://www.bge.com/portal/site/bge/menuitem.3465c31fe4bb492164d35302025166a0/>

BC Hydro Not Planning Outages in British Columbia Despite Flooding

On June 6, BC Hydro announced that its system of transmission and distribution lines remains secure despite the current flooding that is affecting communities in Northwest British Columbia. No planned outages for any community are scheduled. Safety-related emergency disconnections to individual residences will take place as necessary due to high water.

<http://www.bchydro.com/news/2007/jun/release52314.html>

PSEG Planning New 500 kV Transmission Lines in New Jersey

Public Service Enterprise Group (PSEG) is seeking approval from regional grid operator PJM to construct new 500 kV transmission lines. If approved, it is estimated that the lines would take five to eight years to be completed.

PSEG plans to use existing right-of-ways for the new lines.

Reuters, 13:26 June 8, 2007

OPG's 535 MW Lennox Gas-fired Unit 3 Back in Service June 8

According to a report from the Independent Electricity System Operator, the unit returned to service following a brief outage that began on June 7.

Reuters, 08:19 June 8, 2007

InterGen's 322 MW La Rosita Gas-fired Unit 2 in California Shut June 8

Reuters, 08:44 June 8, 2007

Petroleum

Update: Restart Process Begun at Imperial Oil's 190,000 b/d Edmonton Refinery in Alberta June 8

On June 8, Imperial Oil Ltd reported that repairs had been completed after a fire damaged the refinery on June 2. The company has begun the restart process which is expected to take "a few days to complete". Although production at the refinery continued at a reduced rate following the fire, the company has not made public specifics as to the amount of production that was affected. The cause of the fire remains under investigation.

Reuters, 12:34 June 8, 2007

Bloomberg News, 12:32 June 8, 2007

Power Disruption Reported at ConocoPhillips's 44,000 b/d Arroyo Grande Refinery in California June 8

A power disruption that occurred just after 7:30 a.m. local time caused the plant's safety flare to activate according to a report filed with state regulators.

Reuters, 12:35 June 8, 2007

Bloomberg News, 12:41 June 8, 2007

Update: SRU Upset Reported at Total's 240,000 b/d Port Arthur Refinery in Texas June 7

A malfunctioning check valve led to a problem with the sulfur recovery unit (SRU) that resulted in flaring for a period of approximately 24 hours.

Bloomberg News, 12:04 June 8, 2007

SRU Upset Reported at Valero's 80,000 b/d Wilmington Refinery in California June 7

The company reported flaring due to an upset of the sulfur recovery unit (SRU).

OPIS Price Watch Alert, 12:04 June 8, 2007

U.K. Advises Nationals to Leave Niger Delta Area June 8

Britain has advised all of its nationals to leave the oil-producing Niger Delta region after the Nigerian Supreme Court refused bail to a former militia leader whose detention has caused unrest in the country.

<http://news.scotsman.com/latest.cfm?id=900552007>

Suncor Ramps Down Alberta Oil Sands Production to Begin Expansion

Production began to ramp down during the end of May, as the oil sands facility prepared for a 50-day shutdown of one of its two upgraders. The shutdown, which is being completed to tie-in new facilities related to a planned expansion, will impact production rates during June and July. Suncor is targeting average oil sands production of 255,000 to 265,000 b/d in 2007.

http://www.suncor.com/links_popup.aspx?ID=3089

Natural Gas

Nothing to report.

Other News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices			
June 8, 2007			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	64.82	64.88	70.30
NATURAL GAS Henry Hub \$/Million Btu	7.52	7.80	6.17

Source: Reuters

Energy Notes

Alberta Gas Production Peaked in 2001, Now in Permanent Decline – Alberta Industry Watchdog Agency

NGI's Daily Gas Price Index, June 08, 2007

Alaska Governor Signs Bill to Set Up Competitive Process for Potential Builders to Apply for License to Build Gas Pipeline from North Slope June 7

http://www.ktuu.com/Global/story.asp?S=6624005&nav=menu510_2

USACE Gives Final Permit for Construction of 50 Bcf MoBay Gas Storage Facility in Alabama

<http://biz.yahoo.com/bw/070607/20070607005615.html?.v=1>

FERC Calls Enstor's Proposal for 'Virtual' Storage Facility 'Deficient'

NGI's Daily Gas Price Index June 07, 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.

ENERGY ASSURANCE DAILY

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

Please direct comments and questions to: ead@oe.netl.doe.gov