



ENERGY ASSURANCE DAILY

Tuesday Evening, July 01, 2008

Electricity

Luminant Shuts 569 MW Sandow Coal-fired Unit 4 in Texas June 27

The company shut the unit to fix boiler leaks, according to a company spokesman. The shutdown will last at least a week, he said.

Bloomberg News, 15:01 June 30, 2008

Fire Halts AEP's 528 MW Welsh Coal-fired Unit 1 in Texas

Workers shut the unit after a fire in the bunker, according to a filing with state regulators. The company did not specify the extent of the damage, or say when the unit would be back online.

Reuters, 19:19 June 30, 2008

Update: Duke Energy's 1,100 MW McGuire Nuke Unit 1 in North Carolina Ramped Up to 74 Percent by July 1

The unit shut automatically after the loss of a reactor coolant pump by June 26. The Nuclear Regulatory Commission reported that on the morning of June 30 the unit was operating at 15 percent.

<http://uk.reuters.com/article/rbssIndustryMaterialsUtilitiesNews/idUKN2730389120080627>

Information also derived from the NRC Power Reactor Status Reports:

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

Update: Entergy's 966 MW River Bend Nuke Unit 1 in Louisiana at Full Power by July 1

Entergy reduced the unit's output by June 27 to check on a warning indicator associated with the cooling system.

The Nuclear Regulatory Commission reported that on the morning of June 30 the unit was operating at 87 percent.

<http://uk.reuters.com/article/rbssIndustryMaterialsUtilitiesNews/idUKN3039033620080630>

Information derived from the NRC Power Reactor Status Reports:

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

Update: AES's 175 MW Alamosa Gas-fired Unit 2 in California Returns to Service June 30

According to the California Independent System Operator, the unit experienced an unplanned outage by June 30.

<http://www.caiso.com/unitstatus/data/unitstatus200806301515.html>

Update: AES's 498 MW Alamosa Gas-fired Unit 5 in California Ramps up June 30

According to the California Independent System Operator, the unit experienced an unplanned curtailment of 273 MW by June 29.

<http://www.caiso.com/unitstatus/data/unitstatus200806301515.html>

Update: OPG Restarts 494 MW Lambton Coal-fired Unit 2 in Ontario June 30

The unit shut by early June 30, and restarted by afternoon, the same day.

Reuters, 13:36 June 30, 2008

TransAlta's 381 MW Keephills Coal-fired Unit 2 in Alberta Shut June 30

Reuters, 8:38 July 1, 2008

Dominion Virginia Power Breaks Ground on 585 MW Clean-Coal Virginia City Hybrid Energy Center June 30

The facility will burn coal and up to 20 percent biomass. Dominion received necessary air permits and began construction yesterday afternoon, June 30. The station is part of Dominion's goal to meet projected demand growth of 4,000 MW by 2017.

<http://www.dom.com/news/elec2008/pr0630.jsp>

Northwestern Energy Plans 400-Mile, 500 kV Mountain States Transmission Intertie from Montana to Idaho

On June 30, Northwestern announced it filed a Major Facility Siting Application (MFSA) with the Montana Department of Environmental Quality (DEQ) for the project which would stretch from a new substation in Montana to a substation near Midpoint, Idaho. The DEQ has 30 days to finish the review, or request more information. Once the MFSA process is complete, the company plans to conduct an environmental review. That process should take two years, after which construction could begin.

http://www.northwesternenergy.com/OurCompany/NewsCenter/displaynews.aspx?name=NorthWestern_Energy_to_File_Major_Facility_Siting_Document_for_Mountain_States_Transmission_Intertie&Article=6721&item=20

Update: Judge Blocks Construction of Dynegy & LS Power Group's Proposed 1,200 MW Coal-fired Longleaf Power Plant in Georgia

A Georgia state judge disallowed an air permit for the plant, overturning a previous judge's decision to allow construction. Environmental groups contested the permit last year. The judge's decision marked the first such ruling to connect carbon dioxide to an air permit. Carbon dioxide is not currently regulated under federal law. The companies plan to appeal the ruling.

<http://www.nytimes.com/2008/07/01/business/01coal.html?ref=business>

<http://www.chron.com/disp/story.mpl/business/5864740.html>

Petroleum

Update: Chevron to Resume Crude Production at Escravos, Nigeria Facility "Within a Few Days"

According to a Chevron official, repairs are in progress and operations are expected to resume "within a few days." Chevron declared force majeure at Escravos on June 24 after a militant attack. The incident halted 120,000 b/d of crude production.

http://money.cnn.com/news/newsfeeds/articles/djf500/200807011120DOWJONESDJONLINE000339_FORTUNE5.htm

Update: Pump Malfunction Keeps Unit Down at Citgo's 430,000 b/d Lake Charles, Louisiana Refinery

A power failure downed an alkylation unit, a fluid catalytic cracking unit, and a vacuum unit last Thursday, June 26. The company restarted two of the units, but a pump failure on June 29 affected one of the units. A company representative did not specify which of the units was still down.

Reuters, 10:57 July 1, 2008

Venezuela-to-U.S. Oil Imports Dip 11.7 Percent in First Third of 2008

Venezuela shipped an average 1.13 million b/d of oil and petroleum products to the United States in the first four months of 2008, marking a 150,000 b/d decrease from the same period last year. Analysts blamed lagging output—Venezuela's four-month production declined slightly from last year's—and increased Venezuelan exports to China and India. Venezuela sent 250,000 b/d of oil and petroleum products to China in January-April, 2008, and plans to raise that total to 500,000 b/d by 2010.

<http://www.washingtonpost.com/wp-dyn/content/article/2008/06/30/AR2008063002466.html>

http://www.canadianbusiness.com/markets/headline_news/article.jsp?content=b0630146A

Moscow Ruling Puts BP's Share of Russian Oil Venture, TNK-BP, in Jeopardy

Moscow officials denied work permits to several non-Russian BP executives, potentially stopping BP from conducting business in Russia. Already, the controversy has disrupted TNK-BP drilling in Russia—a separate Russian directive in March, 2008 forbade 148 BP workers from entering Russia, essentially stalling certain projects. BP said the latest decision threatens to further curb TNK-BP's output. Unless they can quickly obtain visas, several BP officials and employees will have to leave Russia. If BP were pushed from Russia, control over TNK-BP operations would fall entirely to the company's Russian partners. TNK-BP is a jointly-owned venture between BP and Russian investors. It produced 1.43 million b/d of oil and gas condensate in 2007

Bloomberg News, 07:19 July 1, 2008

http://www.ft.com/cms/s/4ea29aba-46e4-11dd-876a-0000779fd2ac.Authorised=false.html?_i_location=http%3A%2F%2Fwww.ft.com%2Fcms%2Fs%2F0%2F4ea29aba-46e4-11dd-876a-0000779fd2ac.html&_i_referer=

Natural Gas

Nothing to report.

Other News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices			
July 1, 2008			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	141.80	136.33	70.48
NATURAL GAS Henry Hub \$/Million Btu	13.19	12.92	6.40

Source: Reuters

Energy Notes

Update: 11,000 OPPD Customers Still Without Power in Nebraska July 1

http://www.omaha.com/index.php?u_page=2798&u_sid=10370878

http://www.kmeg14.com/Global/story.asp?S=8584755&nav=menu609_2_4

Update: Dominion CEO Eyes 2016 Start-Date for New 1,520 MW Nuclear Reactor at North Anna Power Station in Virginia—Says Company is “Trying Very Hard” to Bring Unit Online

<http://www.inrich.com/cva/ric/news.apx.-content-articles-RTD-2008-07-01-0052.html>

Utility Directors Tell Western Governors' Association Meeting U.S. West Needs More Transmission Lines – Regulators Often Slow Approval Process for New Projects, They Say

<http://www.signonsandiego.com/news/nation/20080630-1802-wst-westerngovernors.html>

**Process Upset Triggers Flaring at ConocoPhillips' 146,000 b/d Borger, Texas Refinery
June 29**

Bloomberg News, July 1, 2008

Arctic Contains 100 Billion Barrels of Oil in Uncharted Fields—U.S. Geological Survey

http://www.rigzone.com/news/article.asp?a_id=63603

**Environmental and Technological Hurdles Remain, but Geologists Say Colorado's Shale
Could Hold 1 Trillion Barrels of Oil—Shell Says Significant Output is 10 Years Away**

<http://www.cbsnews.com/stories/2008/06/30/eveningnews/main4221747.shtml>

Oil Companies Say Absence of Skilled Workers is Prime Business Threat—KPMG Survey

Oil Daily July 1, 2008

**Iraq Welcomes Foreign Bids for 6 Massive Oilfields, Worth an Estimated 1.5 Million b/d of
Production**

Reuters, 15:10 June 30, 2008

**Iraq Hopes to Boost Crude Production to 3 Million b/d by 2009—Output Could Hit 4.5
Million b/d in 2013, with Help from Foreign Oil Companies, Oil Minister Says**

Reuters, 00:44 July 1, 2008

**Indiana County Gives Okay for Proposed 628-mile Rockies Express-East Natural Gas
Pipeline—Construction to Start Next Month, and Project to Open in July, 2009**

<http://www.indystar.com/apps/pbcs.dll/article?AID=/20080630/LOCAL04/806300339/1023/LOCAL04>

**MDU Resources to Boost Natural Gas Deliveries from Powder River Basin by up to 40
MMcf/d**

Reuters, 09:34 July 1, 2008

**Colonial Pipeline Freezes Cycle 38 Nominations on Main Distillate Line between Collins,
Mississippi and Greensboro, North Carolina—Also Freezes Cycles 36 and 37 Nominations
on Multi-product Line 3 in New Jersey**

Reuters, 13:01 July 1, 2008

**Update: "Increasing Likelihood" of Israeli Attack on Iranian Nuke Facilities--Senior U.S.
Defense Official**

<http://abcnews.go.com/Politics/US/story?id=5281043>

Midwest Floods Show Sensitivity of Corn-Fueled Ethanol Market to Weather Disruptions

<http://www.nytimes.com/2008/07/01/business/01weather.html?hp=&adxnnl=1&adxnnlx=1214927069-icx6RjeA3ak2G96DkXE3ug>

Global Investment in Renewable Energy Jumps 60 Percent in 2007—UN

Reuters, 11:30 July 1, 2008

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>.

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