



ENERGY ASSURANCE DAILY

Monday Evening, August 04, 2008

Electricity

Storms Cut Power to 191,673 Customers along Southeast U.S. Coast August 2

Wind, rain, and hail swept through the U.S. Southwest on August 2, cutting power to 150,000 Georgia Power customers in Georgia, 14,296 SCE&G customers in South Carolina, 17,013 Duke Energy customers in North Carolina and 10,364 Duke Energy customers in South Carolina. Georgia Power restored power to all affected customers by this morning, and only scattered outages remained among the remaining utilities, as of latest reports.

<http://www.duke-energy.com/outages/stats/>

<http://www.sceg.com/en/storm-center/outage-updates>

<http://www.accessnorthga.com/detail.php?n=212058&c=10>

http://www.ajc.com/gwinnett/content/metro/stories/2008/08/03/weather_0804_web.html

<http://www.thestate.com/local/story/479017.html>

<http://www2.journalnow.com/content/2008/aug/02/thunderstorms-blow-through-winston-salem/?news>

Storms Knock Out Power to 46,000 Entergy Customers in Mississippi August 2

Crews restored service to all but 14,386 customers by yesterday evening, August 3.

<http://www.wlbt.com/Global/story.asp?S=8781494>

TVA's 1,125 MW Watts Bar Nuke Unit 1 in Tennessee Reduced to 82 Percent by August 2

The company reduced the unit after operators discovered a hydrogen leak in the main generator's cooling system. The "leak does not pose a danger to the public," according to TVA. The Nuclear Regulatory Commission reported that on the morning of August 1 the unit was operating at 93 percent.

<http://www.knoxnews.com/news/2008/aug/02/business-briefs-aug-02/>

Information also derived from the NRC Power Reactor Status Reports:

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

"Unusual Event" During Restart at Xcel Energy's 522 MW Prairie Island Nuke Unit 1 in Minnesota August 3—Unit at 99 Percent Power by August 4

Operators "detected an elevated level of a chemical called hydrazine in the non-nuclear side of the plant," a spokeswoman said. At the time of the "unusual event," the unit was ramping up from an earlier outage. It shut after a circuitry fault July 31. Despite the incident, Xcel returned the unit to 99 percent power by this morning. The Nuclear Regulatory Commission reported that on the morning of August 3 the unit was operating at 28 percent. Bloomberg News, 14:55 August 4, 2008

Information also derived from the NRC Power Reactor Status Reports:

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

Dominion's 511 MW Kewaunee Nuke Unit in Wisconsin Slows to 55 Percent by August 3

The Nuclear Regulatory Commission reported that on the morning of August 2 the unit was operating at full power. Information derived from the NRC Power Reactor Status Reports:

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

AES's 227 MW Huntington Beach Gas-fired Unit 4 in California Shut by August 2

According to the California Independent System Operator, the unit experienced an unplanned outage by August 2.

<http://www.caiso.com/unitstatus/data/unitstatus200808021515.html>

Entergy's 1,207 MW Grand Gulf Nuke Unit 1 in Mississippi Ramped Up to 98 Percent by August 3

The Nuclear Regulatory Commission reported that on the morning of August 2 the unit was operating at 72 percent. Information derived from the NRC Power Reactor Status Reports:

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

Entergy's 966 MW River Bend Nuke Unit 1 in Louisiana Ramped Up to 93 Percent by August 4

The Nuclear Regulatory Commission reported that on the morning of August 3 the unit was operating at 62 percent. Information derived from the NRC Power Reactor Status Reports:

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

Progress Energy's 872 MW Brunswick Nuke Unit 1 in North Carolina at Full Power by August 3

The Nuclear Regulatory Commission reported that on the morning of August 2 the unit was operating at 68 percent. Information derived from the NRC Power Reactor Status Reports:

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

Constellation's 835 MW Calvert Cliffs Nuke Unit 2 in Maryland at Full Power by August 4

The Nuclear Regulatory Commission reported that on the morning of August 3 the unit was operating at 85 percent. Information derived from the NRC Power Reactor Status Reports:

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

Update: Luminant's 750 MW Martin Lake Coal-fired Unit 1 in Texas Returns to Service

The unit returned to service over the weekend. It idled on July 28-29 after an error of the main generator grounds. Reuters, 10:15 August 4, 2008

Duke Energy's 510 MW Moss Landing Gas-fired Unit 2 in California Ramps up August 1

According to the California Independent System Operator, the unit ramped up from an unplanned curtailment.

<http://www.caiso.com/unitstatus/data/unitstatus200808011515.html>

AES's 498 MW Alamos Gas-fired Unit 5 in California Ramps up by August 2

According to the California Independent System Operator, the unit ramped up from an unplanned curtailment.

<http://www.caiso.com/unitstatus/data/unitstatus200808021515.html>

AES's 495 MW Alamos Gas-fired Unit 6 in California Returns to Service by August 2

According to the California Independent System Operator, the unit experienced an unplanned outage by August 1.

<http://www.caiso.com/unitstatus/data/unitstatus200808021515.html>

Calpine's 135 MW Gilroy Cogen Gas-fired Unit in California Returns to Service by August 1

According to the California Independent System Operator, the unit returned from an unplanned outage.

<http://www.caiso.com/unitstatus/data/unitstatus200808011515.html>

OPG's 490 MW Nanticoke Coal-fired Unit 4 in Ontario Shuts by August 4

Reuters, 09:17 August 4, 2008

Central Maine Power Announces Plan to Upgrade State's Power Grid

The build would include a new, 200-mile, 345 kV transmission line, 15 new substations, and upgrades to an existing, 370-mile power corridor. The new, 200-mile transmission line would deliver electricity from proposed wind farms in northern Maine to the state's center. The existing, 370-mile corridor—from Orrington, Maine to Newington, New Hampshire—would be widened to accommodate additional 345 kV power lines. Pending approvals, workers would break ground in winter, 2010, and open the project for service in 2012.

<http://pressherald.maintoday.com/story.php?id=202672&ac=PHnws>

Wyoming Wind Farms Could Supply Electricity to Booming U.S. Southwest—Study

Wyoming wind farms could help the U.S. southwest meet renewable energy standards, as states like Nevada and Arizona seek to import clean power, according to a National Grid/Energy Strategies report. Wyoming is well-situated for new wind power, with wide, open spaces and strong, steady winds. The Power Company of Wyoming has already proposed a 2,000 MW wind farm in Carbon County, and the Arizona Public Service has announced plans for two 500 kV transmission lines from Wyoming to Arizona. Such new transmission lines, the study said, are necessary to transport any new power.

http://www.istockanalyst.com/article/viewiStockNews+articleid_2466799&title=Wyoming_Wind_May_Power.html
<https://transwest.azpsoasis.com/>

Petroleum

U.S. National Hurricane Center Says 20 Percent Chance Tropical Storm Edouard Reaches Hurricane Strength before Landfall

Tropical Storm Edouard should make landfall tomorrow morning along the upper Texas coast or southwestern Louisiana. It could travel near ExxonMobil's 586,000 b/d Baytown, Texas refinery, but speculators expect the storm to bypass most offshore operations. Crude prices slipped under \$120 as forecasters predicted only limited impact to oil infrastructure.

Bloomberg News, 11:58 August 4, 2008

Bloomberg News, 09:37 August 4, 2008

Reuters, 10:51 August 4, 2008

http://www.oe.netl.doe.gov/docs/2008_SitRep_1_Edouard_80408_3pm.pdf

Tropical Storm Edouard Shuts Some Crude Production, but Most Output Online Companies Evacuate Some Workers Ahead of Storm

Companies have shut in an estimated 11,539 b/d of oil output in the Gulf of Mexico, or 0.87 percent of total Gulf production, according to Minerals Management Service estimates. Included in those shutdowns is Apache, which said it idled 8,600 b/d of crude production. Companies have evacuated workers from 23 production platforms and 6 rigs—both fractions of the 717 manned platforms and 125 operating rigs in the Gulf. BP, Shell, Anadarko Petroleum, Apache, Chevron, and Marathon each confirmed worker evacuations.

Reuters, 11:57 August 4, 2008

Reuters, 11:52 August 4, 2008

Bloomberg News, 09:37 August 4, 2008

Bloomberg News, 11:34 August 4, 2008

<http://www.mms.gov/ooc/press/2008/press0804.htm>

LOOP Suspends Oil Tanker Offloading in Gulf of Mexico

Citing heavy waves and winds, the Louisiana Offshore Oil Port (LOOP) suspended oil tanker offloading today, August 4. The port has tapped on-site stocks to supply associated refineries, a spokeswoman said.

Reuters, 10:18 August 4, 2008

Reuters, 11:57 August 4, 2008

Marathon Shuts 72,000 b/d Texas City, Texas Refinery As Edouard Nears

Marathon began the 24-48 hour process of shutting the refinery, a spokesperson said today. The company said it did not expect the storm to impact its offshore facilities.

Reuters, 11:18 August 4, 2008

Bloomberg News, 11:34 August 4, 2008

Valero's 130,000 b/d Houston, Texas Refinery at Reduced Rates after Sulfur Dioxide Tank Rupture

A Valero spokesman denied press reports that the tank had exploded. Vapors ignited, he said, and caused a release of sulfur. Officials declared a shelter-in-place order for local residents. That order lasted approximately two hours. The refinery did not report any injuries, but four nearby workers went to the hospital for evaluations.

Bloomberg News, 14:20 August 4, 2008

Reuters, 11:12 August 4, 2008

http://www.reuters.com/article/reutersComService_3_MOLT/idUSN0437258420080804

Iraq Shuts Oil Exports to Turkey—Shipper Affected Pipeline Had Been Moving About 300,000 b/d

Iraq stalled the Kirkuk, Iraq-to-Ceyhan, Turkey oil pipeline today, August 4, according to a shipping agent. The agent was unsure why the shutdown occurred, but said Iraq had been shipping about 300,000 b/d through the pipeline.

Reuters, 09:36 August 4, 2008

Update: Tesoro Restores Units at 100,000 b/d Los Angeles, California Refinery

A partial power failure stalled two process units, causing production cuts at other units. Tesoro restarted all affected units, and expected the refinery to return to full production by the end of Friday, August 1.

Reuters, 15:54 August 1, 2008

U.S. Helps Colombian Army Protect Vital Cano Limon-Covenas Oil Pipeline

The Cano Limon-Covenas oil pipeline is an attractive terrorist target—crucial to Colombian oil production—and the United States has spent millions to help Colombia ensure its safety. The pipeline's deliveries account for nearly 20 percent of the Colombia's daily crude output, and prior attacks by FARC terrorists have curtailed federal income. The United States has given the Colombia Army approximately \$99 million to equip and train soldiers along the pipeline's first, most-vulnerable 110 miles. In total, the pipeline stretches 500 miles, from northeast Colombia to the Covenas port on the Caribbean Sea.

http://www.postchronicle.com/commentary/article_212161302.shtml

Natural Gas

Edouard Shuts in 555 MMcf/d of Natural Gas Production in Gulf of Mexico

Edouard forced offline a total 555 MMcf/d, or 7.21 percent of the Gulf's daily production, according to the Minerals Management Service. Included in the shutdowns is Apache Corp, which confirmed it halted 130 MMcf/d of natural gas production.

Bloomberg News, 09:37 August 4, 2008

<http://www.mms.gov/oc/press/2008/press0804.htm>

Sabine Pipeline Temporarily Cancels Force Majeure as Edouard Prevents Compressor Work

Sabine had anticipated the force majeure as it performed maintenance on a compressor in Texas. It postponed that work and the force majeure, however, as Tropical Storm Edouard approached.

12:05 August 4, 2008

Enbridge Declares Force Majeure along Stingray Natural Gas Pipeline in Gulf of Mexico

Citing Tropical Storm Edouard, Enbridge shut the West Cameron 509 Compressors, allowing gas to free flow. It expected additional compressors to shut later in the day, and requested nominations to be slashed by two thirds today, and at 1 Dth tomorrow.

<http://www.enbridgeus.com/Reports/reportrem.aspx?pl=1&rptSite=1&rpt=%2fnotice%2fFinalReview.asp%3fcode%3dstry2008217.91859&tmi=1036&tmt=5>

Enterprise Products Partners' 1 Bcf/d Independence Hub Natural Gas Production Platform in Gulf of Mexico Remains Offline as Storm Delays Maintenance

The company shut the associated Independence Trail pipeline last Tuesday for planned work, and expected to complete work over the weekend. The company expects to finish the maintenance later this week.

Reuters, 11:16 August 4, 2008

Update: Alaska Lawmakers Approve TransCanada's Proposed 4.8 Bcf/d, 1,715-mile Natural Gas Pipeline to Link North Slope, Alaska Supplies to Lower-48 States

On August 1 TransCanada Corporation received the support of the Alaska Legislature to award the company a license for the Alaska Pipeline Project under the Alaska Gasline Inducement Act (AGIA). The decision gives TransCanada authority to seek federal approval for the pipeline, but does not guarantee its construction.

http://www.transcanada.com/news/2008_news/20080801.html

<http://www.latimes.com/business/nationworld/wire/ats-ap-alaska-gas-pipelinejul21.1.6474594.story>

<http://www.accessnews.com/index.php/articles/show/id/16529>

Chesapeake Energy Says Texas's Barnett Shale Natural Gas Production Will Peak at 6-to-6.5 Bcf/d in 2012

That figure is significantly higher than the 5 Bcf/d estimate announced by EOG Resources, a separate Barnett Shale producer. Chesapeake Energy expects the shale to hold 60 Tcfe of gas, far beyond previous estimates of 26 to 29 Tcfe. At present, Chesapeake's Barnett production is 500,000 MMcf/d.

<http://www.platts.com/Natural%20Gas/News/6931399.xml?p=Natural%20Gas/News&sub=Natural%20Gas>

Force Majeure Remains in Effect at Colorado Interstate Gas Company's Kim Compressor Station along Campo Lateral

The force majeure began July 24, 2008, and reduced the Lateral's operational capacity from 414,000 MMcf/d to 355,000 MMcf/d. The compressor will not return to full service until the middle of this week.

<http://ebb.cigco.com/ebbCIG/Notices/NoticeView.asp?sPipelineCode=CIG&sSubCategory=Critical&sNoticeId=7233>

KinderMorgan Declares Force Majeure Event at Compressor Station 343 in Texas along Natural's Louisiana Natural Gas Line August 3

<http://pipeline.kindermorgan.com/infoposting/notices.aspx?type=CRIT>

Other News

Tropical Storm Edouard Halts Inbound Ship Boardings along Houston and Sabine Pass Ship Channels

Pilot Associations suspended inbound ship boarding along the Houston and Sabine Pass Ship Channels, stalling ships (requiring pilots from) entering the Galveston and Texas City ports, and ports farther north. Barges that do not require pilots are not affected. Outbound traffic remains normal along both affected channels. It is unclear if officials anticipate an outbound impact along either channel. Both shutdowns occurred this morning, according to news reports.

Bloomberg News, 14:10 August 4, 2008

Reuters, 10:18 August 4, 2008

Reuters, 10:26 August 4, 2008

<http://www.d8externalaffairs.com/>

Powder River Basin's Gillette Coalfield Holds 77 Billion Short Tons of Recoverable Coal—USGS

The Gillette Coalfield's recoverable reserves total 77 billion short tons, according to a newly-released U.S. Geological Survey (USGS) estimate. The figure, while significant, marks a 29 percent decline from the previously-forecasted 109 billion short tons. The Gillette Coalfield produced 431 million short tons of coal in 2007, and accounted for 38 percent of U.S. coal output.

<http://www.jacksonholestartrib.com/articles/2008/08/04/news/wyoming/677beb14234151a687257498008072e1.txt>

Energy Prices

U.S. Oil and Gas Prices			
August 4, 2008			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	121.18	123.67	75.71
NATURAL GAS Henry Hub \$/Million Btu	9.05	9.34	6.34

Source: Reuters

Storms Knock Out Power to 10,867 CL&P Customers and 5,000 United Illuminated Customers in Connecticut August 2

<http://www.wtnh.com/Global/story.asp?S=8777920&nav=3YeXNX07>
<http://www.cl-p.com/stormcenter/outage.aspx>

Atlantic City Electric Reports 10,088 Customers without Power in New Jersey August 2

As of 9:30 AM: <http://www.atlanticcityelectric.com/home/emergency/maps/outage/>

PSC of West Virginia Approves Allegheny Energy's Proposed 500 kV Transmission Line Project in West Virginia

<http://www.alleghenyenergy.com/Newsroom/NewsroomHome.asp>

Free Flow Power Corp. Plans Multiple Turbine Generators along Ohio and Mississippi Rivers to Power 1.7 Million Homes by Late 2012

http://www.istockanalyst.com/article/viewiStockNews+articleid_2462740&title=Company_Planning_to.html

AWEA Commissions AEP to Plan New U.S. Power Line System—"AEP Transmission Vision" Would Include 19,000 miles of 765-kV Transmission Lines

<http://www.reuters.com/article/rbssIndustryMaterialsUtilitiesNews/idUSN3149186820080801?pageNumber=1&virtualBrandChannel=10218>

DTE Energy to Seek Federal License for New Nuclear Reactor at Existing Fermi Site in Michigan

http://www.wxyz.com/news/local/story.aspx?content_id=2e03e7ac-5159-4fcd-937f-7fdcf346bc32&rss=785

Companies Plan More than 100 Wind Turbines in Mountainous Virginia Region

<http://www.washingtonpost.com/wp-dyn/content/article/2008/08/02/AR2008080201382.html>

Panel Cites Faults in Siren System at Entergy's Indian Point Nuclear Power Plant in New York

http://www.nytimes.com/2008/08/03/nyregion/nyregionspecial2/03nukewe.html?_r=1&ref=nyregionspecial2&oref=slogin

Aeration Compressor Shuts Briefly at ConocoPhillips' 247,000 b/d Sweeny, Texas Refinery August 2

Reuters, 10:00 August 4, 2008

FCC Unit 3 Flares at ConocoPhillips' 247,000 b/d Sweeny, Texas Refinery August 2

Bloomberg News 15:26, August 4, 2008

Valve Leak near FCCU at Valero's 210,000 b/d Delaware City, Delaware Refinery August 2—Impact to Production Unclear

Reuters, 08:33 August 4, 2008

Recovery Unit Malfunction at Western Refining's 107,000 b/d El Paso, Texas Refinery—No Affect to Production, Company Says

Reuters, 15:11 August 1, 2008

BLM Issues Plan to Allow as Many as 432 O&G Wells on 1.5 Million Acres of Land in Utah

<http://intelligencepress.com/>

Update: Trans-Niger Oil Pipeline Was Second Line Damaged by Last Week’s Militant Attacks, NNPC Official Confirms

http://www.downstreamtoday.com/News/Articles/200808/Militants_Damage_Nigeria_s_Trans_Niger_O_12201.aspx

Oil Prices Jump as Israeli Deputy Prime Minister Says Iran Pushes Toward “Major Breakthrough” in Nuclear Weapons Programs

<http://www.bloomberg.com/apps/news?pid=20601082&sid=a67jkNGp6Dno&refer=canada>

Colombia Saves Five Kidnapped Oil Personnel, Military Official Says

http://www.rigzone.com/news/article.asp?a_id=65021

Gunmen Kidnap Two Foreign Workers in Nigeria

http://www.usatoday.com/news/world/2008-08-03-nigeria-kidnap_N.htm

Update: Apache Energy to Resume 110 MMcf/d of Natural Gas Production at Varanus Island, Offshore Australia Facility Soon—Output to Hit 220 MMcf/d in Weeks, and Full 300 MMcf/d by End of 2008

http://www.rigzone.com/news/article.asp?a_id=64994

Iran Could “Easily” Stall Vital Strait of Hormuz, Should its Nuclear Program be Attacked—Revolutionary Guards Commander-in-Chief

Reuters, 09:30 August 4, 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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