



ENERGY ASSURANCE DAILY

Wednesday, August 08, 2007

Major Developments

Update: Southern Natural Gas Restoring Service on One of Three Damaged Pipelines Offshore Louisiana August 7

A posting on Southern Natural Gas (SNG) Company's website August 7 said that the company has completed damage assessments and plans to partially restore service on its 26-inch natural gas pipeline off the Louisiana coast. The 26-inch line and two 20-inch lines flowing from SNG's Gate 6 Platform in the Gulf of Mexico were damaged during a rupture and explosion on August 3, and as a consequence the company declared force majeure on natural gas upstream of its Toca Compressor Station. Points served by the 26-inch line were flowing at approximately 300 MMcf/d prior to the force majeure event and SNG plans to schedule 150 MMcf/d at these points before ramping up to normal volumes over the next three to five days or as conditions will allow. One of the 20-inch lines was ruptured and its return to service is unknown at this time. SNG estimates that it will be at least two to three weeks before the second 20-inch line can be returned to service. Together, flow on all three lines is estimated to have been approximately 600 MMcf/d before the force majeure event.

<http://ixsnp.sonetpremier.com/ebbSNG/Notices/NoticeView.asp?sPipelineCode=SNG&sSubCategory=C&sNoticeId=25317&sIdentifier=08%2F07%2F2007%233+Force+Majeure+Upstream+of+Toca+Update+5>

Electricity

Storm Knocks Out Power to 50,000 ComEd Customers in Illinois August 7

At the height of the storm overnight nearly 50,000 Commonwealth Edison customers were without power. As of 5 a.m. local time, 20,000 customers remained without power.

<http://www.kwqc.com/Global/story.asp?S=6902247>

<http://www.nwherald.com/articles/2007/08/08/news/local/doc46b87d623277e618624830.txt>

Over 25,000 PSE&G and Jersey Central Power & Light Customers Lose Power Morning of August 8 -- 7,100 Customers Still Without Power Early Afternoon

<http://www.phillyburbs.com/pb-dyn/news/104-08082007-1389947.html>

http://wcbstv.com/local/local_story_155071606.html

New England ISO and PJM Urge Conservation During East Coast Heat Wave

A massive heat wave pushing temperatures into the 100s along with high humidity has prompted Independent Service Operators and energy companies across the East Coast to ask customers to reduce consumption. PJM issued the conservation request to the service territories of Atlantic City Electric; Baltimore Gas & Electric Co.; Delmarva Power; Dominion; Jersey Central Power & Light Co. (JCP&L); Metropolitan Edison Co. (Met-Ed); PECO, an Exelon Company; Pepco; Pennsylvania Electric Co. (Penelec); PPL Electric Utilities; PSE&G; and UGI Utilities, Inc.

<http://www.pjm.com/contributions/news-releases/2007/20070808-pjm-asks-consumers-to-serve-electricity.pdf>

Reuters, 13:37 August 8, 2007

Reuters, 13:04 August 8, 2007

Reuters, 12:50 August 8, 2007

Pepco Implements Five Percent Voltage Reduction in Washington DC Metro Area

Pepco reduced voltage by 5 percent to its 750,000 customers in order to handle the massive demand incurred during a massive heat wave that has hit the East Coast. According to Pepco other utilities within the PJM Interconnection Power Pool have also reduced voltage in the Mid-Atlantic region

<http://www.pepco.com/welcome/news/releases/archives/2007/article.aspx?cid=848>

Con Edison Implements Five Percent Voltage Reduction in Brooklyn August 8

Consolidated Edison Inc. implemented a 5 percent voltage reduction in northwest Brooklyn, New York, on August 8. The company implemented the reduction as a precaution after a third feeder cable failed at around 11 a.m. local time amid heavy demand due to excessive heat and humidity. There are an estimated 87,000 customers in the affected region but according to a company spokesman, most customers will not notice the voltage reduction. Con Edison is urging customers to conserve power and is working to restore the three failed power lines.

http://news.yahoo.com/s/nm/20070808/us_nm/utilities_conedison_brownout_dc_2

http://www.coned.com/messages/pr20070808_2.asp

MidAmerican Dedicates New 790 MW Walter Scott Coal-fired Unit 4 in Iowa August 7

The ultra-efficient coal burning plant was brought online June 1.

<http://www.midamerican.com/newsroom/aspx/newsdetails.aspx?id=391&type=current>

Progress Energy Ramps Up 938 MW Brunswick Nuke Unit 1 After Repairs in North Carolina August 8

The unit was taken down to 46 percent capacity in order to repair a failed component of a transformer. The unit is expected to be at full power by today.

Bloomberg, 11:25 August 8, 2007

Southern's 883 MW Hatch Nuke Unit 2 in Georgia Shut August 7

Reuters, 09:04 August 8, 2007

Allegheny's 640+ MW Harrison Coal-fired Unit in West Virginia Shut August 6

Reuters, 09:04 August 8, 2007

Dominion's 584 MW Kincaid Coal-fired Unit in Illinois Shut August 6

Reuters, 09:04 August 8, 2007

Edison/Chevron's 332 MW Sunrise Gas-fired Unit in California Shut August 6

Reuters, 09:04 August 8, 2007

PPL's 324+ MW Brunner Coal-fired Unit 2 in Pennsylvania Shut August 6

Reuters, 09:04 August 8, 2007

Calpine's 250 MW Calgary Coal-fired Unit in Alberta Shut August 7

Reuters, 09:04 August 8, 2007

Computer Glitch at Midwest ISO Falsely Shows Electricity at \$50,000/MWh

The incorrect figure was released at 08:30 this morning, officials at MISO immediately began to fix the computer error.

Reuters, 09:21 August 8, 2007

Petroleum

Update: ConocoPhillips's 238,000 b/d Bayway Refinery in Linden, New Jersey will be Down for a Week-Traders

According to traders, the fluidic catalytic cracking unit that caused the unit to go down yesterday will take a week to undergo repairs. A spokesperson from ConocoPhillips said they hoped to have the FCC Unit working in a couple of days.

Reuters, 17:17 August 7, 2007

Bloomberg, 10:47 August 8, 2007

FCCU Shut Early at ExxonMobil/PdVSA's 193,000 b/d Chalmette, Louisiana Refinery in Louisiana August 8 - Traders

Traders told OPIS that the refinery was shutting down its fluidic catalytic cracking unit (FCCU) ahead of schedule. The unit was originally scheduled to undergo two-week maintenance on August 20.

OPIS Price Watch Alert, 12:29 August 8, 2007

Teppco Completes LPG Pipeline Expansion in Pennsylvania

TEPPCO Partners, L.P. recently expanded its liquid petroleum gas LPG pipeline between Greensburg and Eagle, Pennsylvania, increasing delivery capability of this segment by 40 percent. The expansion included the installation of four additional booster stations and the reworking of existing pump stations. TEPPCO has also purchased an underground LPG storage cavern adjacent to its Todhunter Terminal in Middletown, Ohio to complement the recent expansion. The cavern, along with a cavern purchased in a separate transaction in December 2006, increases TEPPCO's storage capacity by 330,000 barrels.

<http://www.teppco.com/news/files/2007080601.htm>

Genesis Energy Announces Alabama Crude Oil Pipeline Extension Project

Genesis Energy, L.P. announced August 8 that it has committed to build an extension from its existing Florida crude oil pipeline system to transport crude oil for producers operating in southern Alabama. The new lateral will consist of approximately 33 miles of 8-inch pipeline originating in the Little Cedar Creek Field in Conecuh County, Alabama to a connection to Genesis's Florida Pipeline System in Escambia County, Alabama. The project will also include gathering connections to approximately 30 wells and additional crude oil storage in the field. The Project is expected to be placed in service in the first quarter of 2008.

<http://biz.yahoo.com/bw/070808/20070808005040.html?.v=1>

Bodman Pushes OPEC to Increase Supply Amidst High Prices

Secretary Bodman plans to address the issue of high prices with OPEC oil ministers prior to their scheduled meeting September 11 in Vienna. The U.S. is also looking to replenish its Strategic Petroleum Reserve, but is waiting for prices to come down.

Reuters, 12:56 August 8, 2007

Iraq Oil Exports at Highest Level in 3 Years

July exports were 1.78 million b/d, which is the highest amount since September 2004.

Reuters, 08:21 August 8, 2007

Ethiopian Rebels Warn Oil Companies to Stay Away

The Ogaden National Liberation Front (ONLF) said the government had lost control of the Ogaden province and warned companies looking for oil and gas to stay away. In April, ONLF carried out an attack on a Chinese-run oilfield, killing 74 people and kidnapping seven workers.

<http://africa.reuters.com/wire/news/usnL08165585.html>

Diver Killed at BP's 230,000 b/d Cherry Point Refinery in Washington

The diver was killed while providing underwater pile-driving support.

Bloomberg, 04:48 August 8, 2007

Natural Gas

Alaska Extends Deadline for Companies to Apply to Build Arctic Natural Gas Pipeline

http://biz.yahoo.com/ap/070808/alaska_gas_pipeline.html?.v=1

Other News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices August 8, 2007			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	72.39	76.35	76.50
NATURAL GAS Henry Hub \$/Million Btu	6.34	6.19	7.06

Source: Reuters

Energy Notes

Heavy Rains and Flooding Knocks Out Power to 20,000 FirstEnergy Customers in Ohio August 7

http://www.wkyc.com/news/news_article.aspx?storyid=72356

Electrical Fire Knocks Out Power at Milwaukee, Wisconsin Airport August 8

<http://www.weau.com/home/headlines/9030157.html>

Southern Company Sets Peak Demand Record for Second Consecutive Day August 8

<http://money.cnn.com/news/newsfeeds/articles/prnewswire/CLW04608082007-1.htm>

Dredging Operations Close Portions of Mississippi River in Illinois

Reuters, 17:07 August 7, 2007

Lower Crude Imports and Refinery Utilization Cause Crude Stocks to Fall 4.1% from Last Week – Gasoline Inventories also Fell

Reuters, 10:48 August 8, 2007

Construction 30 Percent Complete on Cove Point LNG Expansion in Maryland

http://www.dom.com/about/gas-transmission/covepoint/expansion/pdf/newsletter_1107.pdf

Two Hostages Released After Month in Captivity in Niger Delta in Nigeria

Reuters, 10:24 August 8, 2007

Turkey, Iraq Sign Energy Cooperation Agreement

<http://www.platts.com/Oil/News/8195590.xml?p=Oil/News&sub=Oil>

Venezuela, Argentina to Build LNG Regasification Plant in Argentina

http://www.downstreamtoday.com/News/Articles/200708/Venezuela_Argentina_Plan_LNG_Regas_Plan_5315.aspx

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

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>.

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