



ENERGY ASSURANCE DAILY

Tuesday Evening, August 12, 2008

Major Developments

BP Halts 90,000 b/d Baku-Supsa Pipeline through Georgia as a Precaution August 12 Russia Ends Conflict, but Sources Say Some Fighting Continues

BP shut the Baku-Supsa pipeline as a precaution on August 12, citing concern over nearby conflict. Russia officially ended its Georgian offensive today, but some fighting continued nonetheless, according to officials. With both Baku-Supsa and the 1 million b/d Baku-Tbilisi-Ceyhan (BTC) pipeline down, Caspian offshore fields are producing only limited unspecified amounts of crude, according to a BP spokesman. Oil is moving along the Baku-Novorossiysk pipeline to Russia's Black Sea, and by rail across Georgia to the Black Sea. Georgia claimed that Russia had targeted the Baku-Supsa line which Russia denied. While BP had indicated that its facilities had not been damaged, the company said the Baku-Supsa pipeline will remain out of service indefinitely. Separately, bombing forced closed the Black Sea port of Poti, and the conflict disturbed operations at the port of Kulevi. Loadings continued, however, at the Batumi and Supsa terminals. The BTC pipeline remained shut after last week's fire, and operators expected to begin assessing damage "over the next day or two," once the pipeline cools. No timetable exists for the pipeline's return to service, though a source from Turkey's state pipeline company, Botas, said repairs could take one to two weeks or longer.

Reuters, 03:20 August 12, 2008

Reuters, 05:54 August 12, 2008

Reuters, 08:15 August 12, 2008

Reuters, 12:20 August 12, 2008

Bloomberg News 08:54 August 12, 2008

Bloomberg News 14:41 August 12, 2008

Bloomberg News 14:55 August 12, 2008

<http://ap.google.com/article/ALeqM5jSy9sHVh-fPOSfbGrR2TADIYWvbgD92GOSQ02>

<http://news.morningstar.com/newsnet/ViewNews.aspx?article=/DJ/200808120942DOWJONESDJONLINE000305.univ.xml>

Electricity

Update: TVA's 1,118 MW Browns Ferry Nuke Unit 3 in Alabama Reduced to 75 Percent by August 12

The unit had ramped up to 98 percent power after the company slowed it to 50 percent last week. Operators curtailed all three of Browns Ferry's units after transformer errors stalled associated cooling towers. It is unclear if the latest slowdown is related to the prior incident.

http://www.kypost.com/content/news/commonwealth/story.aspx?content_id=e3cdaa42-e796-4926-a802-cb729b11fba0

Information also derived from the NRC Power Reactor Status Reports:

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

Calpine's 376 MW Inland Empire Energy Center Gas-fired Unit 1 in California Shuts by August 12

According to the California Independent System Operator, the unit shut by August 12.

<http://www.caiso.com/unitstatus/data/unitstatus200808081515.html>

Exelon's 855 MW Quad Cities Nuke Unit 2 in Illinois Back at Full Power August 12

The company slowed the unit to 68 percent power overnight to fix a leak on an "instrument that supports the operation of the plant's turbine," according to a spokesman. The Nuclear Regulatory Commission reported that on the morning of August 11 the unit was operating at 98 percent.

Bloomberg News, 13:58 August 12, 2008

Reuters, 10:07 August 12, 2008

Information also derived from the NRC Power Reactor Status Reports:

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

Update: Southern's 830 MW Farley Nuke Unit 1 in Alabama at Full Power by August 12

Southern slowed the unit by August 8 to repair a steam line in the turbine building. The Nuclear Regulatory Commission reported that on the morning of August 11 the unit was operating at 70 percent.

Reuters, 07:27 August 12, 2008

Information also derived from the NRC Power Reactor Status Reports:

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

Update: NPPD's 764 MW Cooper Nuke Unit in Nebraska Ramped Up to 20 Percent by August 12

The Nebraska Public Power District (NPPD) shut the unit on August 9 to repair a valve, according to a Nuclear Regulatory Commission (NRC) report. The Nuclear Regulatory Commission reported that on the morning of August 11 the unit was not operating.

Bloomberg News, 12:52 August 12, 2008

Information also derived from the NRC Power Reactor Status Reports:

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

Reuters, 10:56 August 12, 2008

Xcel Energy's 1,080 MW Tolk Coal-fired Power Plant in Texas Returns to Full Power August 10

Xcel slowed the plant to fifty percent power after a pipe burst Friday, August 8. Citing the outage, Xcel warned of potential forced blackouts, and asked customers to curb electricity use. No blackouts occurred, and the company restored the facility to full power on Sunday, August 10.

http://www.lubbockonline.com/stories/080908/loc_316251431.shtml

http://lubbockonline.com/stories/081208/loc_317614583.shtml

OPG's 490 MW Nanticoke Coal-fired Unit 3 in Ontario Shuts by August 12

The company shut the unit for short work, according to a spokesperson. He did not say when the unit would return to service.

Reuters, 10:56 August 12, 2008

OPG's 215 MW Atikokan Coal-fired Unit in Ontario Shut August 12

Reuters, 8:08 August 12, 2008

Update: OPG Restarts 494 MW Lambton Coal-fired Unit 4 in Ontario by August 12

The unit shut yesterday, August 11.

Reuters, 08:01 August 12, 2008

Update: OPG's 490 MW Nanticoke Coal-fired Unit 1 in Ontario Back Online by August 12

The unit shut yesterday, August 11.

Shear Wind Plans Two Wind Power Projects in New Brunswick, Canada

Shear Wind is planning two wind projects in New Brunswick: the Benjamin River project and the Mann Siding project. Phase 1 of the Benjamin River project would generate 150 MW of power; it would interconnect with nearby, existing transmission lines. Shear Wind has a 500 MW wind development capacity, but has received an initial interconnection confirmation for just 150 MW, according to a news release. The site is intersected by a 138 kV transmission line.

CJX-SWX 12:57 August 12, 2008

Beardy's and Okemasis and SkyPower Plan 100 MW Willow Creek Wind Project in Saskatchewan, Canada

Construction could start as soon as 2010. The project involves about 12,000 acres of land near Wynyard, Saskatchewan.

<http://www.skypower.com/Press%20Releases/Beardys%20and%20Okemasis%20%20Aug%2011%2008.pdf>

Update: NRC Launches Special Inspection at Entergy's 812 MW Palisades Nuclear Power Plant in Michigan

Entergy shut the unit on August 5 to replace leaking control rod drive seals. Operational and equipment errors, however, kept five workers from leaving a containment area, where they were inspecting safety-related piping and components. The workers were only able to leave the area when another worker entered. The incident did not result in radiation overexposure, according to the Nuclear Regulatory Commission (NRC).

<http://www.nrc.gov/reading-rm/doc-collections/news/2008/08-031iii.html>

Petroleum

Chevron Shuts 72,500 b/d FCC at 260,000 b/d El Segundo, California Refinery—Traders

Chevron shut a 72,500 b/d gasoline-making fluidic catalytic cracking unit (FCC) at the refinery, traders said. Chevron could not be reached for comment, according to a news source. The company did say, however, that it shut a “plant for maintenance,” according to a filing with state regulators.

Reuters, 08:45 August 12, 2008

Bloomberg News, 07:36 August 12, 2008

Reuters, 13:03 August 12, 2008

ExxonMobil Restarts Hydrocracker at 562,600 b/d Baytown, Texas Refinery August 12

The unit suffered a brief upset Monday, according to a filing with state regulators. The incident had “minimal impact on production and customer needs were met,” the filing said.

Reuters, 11:47 August 12, 2008

Citgo Shuts Crude/Vacuum Unit at 156,000 b/d Corpus Christi, Texas Refinery August 12

The company expects to idle the crude/vacuum unit at the refinery's east plant for exchanger repairs. The unit will be down until August 16, according to a filing with state regulators.

Reuters, 02:23 August 12, 2008

Bloomberg News, 11:21 August 12, 2008

Oil Exports from Iraq's Basra Terminal Back to Normal after Brief Slowdown August 11

A power failure slowed Basra oil exports to 770,000 b/d late August 11, down from 1.42 million b/d earlier in the day. The terminal generally exports about 1.5 million b/d. Basra resumed shipments at a rate of about 1.7 million b/d today, August 12. The power issue stemmed from problems with onshore turbines, a shipping agent said.

Reuters, 11:10 August 12, 2008

Reuters, 04:04 August 12, 2008

Update: Valero to Break Ground on Expansion at 325,000 b/d Port Arthur, Texas Refinery August 13

The build will include a 50,000 b/d hydrocracker, a 45,000 b/d coker and adjustments to additional units. It will boost Port Arthur's production to 405,000 b/d, according to the plant manager. Valero expects to begin construction in the next two-to-three months, finish the hydrocracker in the fourth quarter, 2010, and complete the coker in the first quarter, 2011.

http://www.downstreamtoday.com/News/Articles/200808/Valero_To_Kick_Off_B_Expansion_At_Po_12320.aspx

Harvest Energy Trust Considers 75,000 b/d Expansion at 115,000 b/d Newfoundland, Canada Refinery

The project would include a new delayed coking unit, equipment to enable processing of heavier or more sour crude grades, and overhauls to existing parts. It would boost the refinery's capacity by 75,000 b/d, from the current 115,000 b/d to 190,000 b/d.

Reuters, 09:38 August 12, 2008

Iraq Plans to Resume Oil Exports through 1 Million b/d Pipeline to Syria

Iraq is repairing the pipeline, at present, and expects to resume shipments once it completes the work. Iraq had shipped 300,000 b/d of crude through Syria before the U.S. invasion in 2003, according to an Iraqi news source. It is unclear if it will resume exports at that rate.

Bloomberg News, 05:05 August 12, 2008

Citing Slowdown at 135,000 b/d Edmonton, Canada Refinery, Petro-Canada Warns of Possible Fuel Shortages in Alberta and British Columbia

Petro-Canada's Edmonton refinery ran at reduced rates last week after the unplanned shutdown of a catalytic cracking unit. Consequently, the company said fuel stations in Alberta and British Columbia could experience fuel shortages.

Bloomberg News, 16:38 August 12, 2008

Iran Finds 3.7 Billion Barrels of Oil among Multiple Fields—Oil Ministry

Iran discovered four oil and gas fields, with combined reserves of 3.7 billion barrels of oil. The largest of the fields holds 1.3 billion barrels of light crude, according to the manager of National Iranian Oil Co.

http://www.rigzone.com/news/article.asp?a_id=65317

Natural Gas

Nothing to report.

Other News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices			
August 12, 2008			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	113.73	120.88	71.50
\$/Barrel			
NATURAL GAS			
Henry Hub	8.18	9.20	6.57
\$/Million Btu			

Source: Reuters

Energy Notes

NERC Issues First Fines for Non-Compliance with Law Requiring Tree-Trimming near Power Lines

http://www.usatoday.com/money/industries/energy/2008-08-11-outages_N.htm?csp=34

Brief Valve Malfunction in Gasoline-Producing FCCU at ConocoPhillips 247,000 b/d Sweeny, Texas Refinery over Weekend

Reuters, 09:06 August 12, 2008

National Cooperative Refinery Association Files Permit Application for Expansion at 82,700 b/d McPherson, Kansas Refinery

Bloomberg News, 14:57 August 12, 2008

Update: NGS Energy's Tres Palacios Gas Storage Receives FERC Approval to Begin Service at First of Three Caverns at Planned 36 Bcf Storage Facility in Texas

http://www.downstreamtoday.com/News/Articles/200808/Tres_Palacios_Gets_Green_Light_from_FERC_12312.aspx

California County to Install Underwater Inspection System along Coast—Anti-Terrorism Project Developed with Cooperation from U.S. Coast Guard to Protect Ports from Underwater Risks

http://mae.pennnet.com/display_article/336628/32/NEWS/none/none/1/Underwater-Anti-Terrorism-Technology-to-Patrol-San-Francisco-Bay/

New Shale Output Boosts U.S. Natural Gas Production—Publicly Traded Companies See 6.7 Percent Boost in Q2 Production, Year Over Year, Analysts Say

<http://intelligencepress.com/>

North Baja Pipeline Receives FERC Environmental Approval for Proposed Yuma Natural Gas Lateral from Mexico into the United States

<http://intelligencepress.com/>

Update: Newfoundland Liquefied Natural Gas Receives Environmental Approval for Proposed LNG Terminal in Placentia Bay, Newfoundland

<http://www.thepacket.ca/index.cfm?sid=161128&sc=368>

Steel Pipe Scarcity Threatens Expanding Gas Drilling in United States

<http://www.reuters.com/article/rbssEnergyNews/idUSN0846134020080808?pageNumber=1&virtualBrandChannel=0>

Ethanol Producers to Use 4.1 Billion Bushels of Corn – One-Third of U.S. Corn Crop in 2008/2009—Agriculture Department

Reuters, 08:37 August 12, 2008

Nigerian Militant Groups Attack, Destroy Gas Pipeline Feeding Oil Refinery—Local Paper

<http://afp.google.com/article/ALeqM5gnoSPwJtAT4-98oObuewG4X6icsg>

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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