



# ENERGY ASSURANCE DAILY

Wednesday Evening, August 27, 2008

## *Electricity*

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### **Update: FPL's 839 MW Saint Lucie Nuke Unit 1 in Florida at Full Power by August 27**

Operators shut the unit August 20 after Tropical Storm Fay flooded a sump pit. The Nuclear Regulatory Commission reported that on the morning of August 26 the unit was operating at 30 percent.

Reuters, 07:41 August 26, 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: Energy Northwest's 1,107 MW Columbia Generating Station Nuke Unit in Washington at Full Power by August 27**

The unit shut August 21 due to low oil pressure in a hydraulic system. The Nuclear Regulatory Commission reported that on the morning of August 26 the unit was operating at 85 percent.

Bloomberg News, 07:21 August 25, 2008

Information also derived from the NRC Power Reactor Status Reports:

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

### **Luminant's 575 MW Big Brown Coal-fired Unit 1 in Texas in Startup August 26**

According to a filing with Texas regulators, Unit 1 will be in startup following a trip caused by a possible malfunction in the turbine controls.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=113104>

### **Reliant's 246 MW Coolwater Gas-fired Unit 4 in California Shut by August 26**

According to the California Independent System Operator, the unit experienced an unplanned outage on August 26.

<http://www.caiso.com/unitstatus/data/unitstatus200808261515.html>

## *Petroleum*

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### **Oil & Gas Companies Evacuate Some Non-Essential Workers as Gustav Approaches Gulf**

NOAA reports that as of 2:00 PM EDT, August 27, Tropical Storm Gustav was crossing over the southwestern tip of Haiti with sustained winds of 60 miles per hour. The storm is on track to cross the western tip of Cuba before entering the Gulf of Mexico, where it is expected to strengthen to a hurricane. By early Monday, September 1, Gustav is expected to be less than 100 miles southeast of Louisiana with sustained wind speeds in excess of 73 miles per hour. Ted Falgout, director of Port Fourchon in Louisiana, said in an interview that "several thousand" of the almost 20,000 workers on offshore platforms in the Gulf would be evacuated on August 27. About 5,000 personnel are needed to maintain production in the Gulf. Royal Dutch Shell said that will evacuate 300 non-essential personnel but the evacuations won't impact production. BP said it is evacuating some non-essential workers but production hasn't been affected. Drilling companies Transocean, Diamond Offshore Drilling, and Noble Corp. also announced that they were securing equipment and evacuating some rigs.

[http://www.nhc.noaa.gov/refresh/graphics\\_at2+shtml/143014.shtml?5day#contents](http://www.nhc.noaa.gov/refresh/graphics_at2+shtml/143014.shtml?5day#contents)

Bloomberg News, 17:20 August 27, 2008

Reuters. 12:32 August 27, 2008

## **Forecaster Predict Gustav Will Shut Nearly 85 Percent of U.S. Gulf Energy Infrastructure**

Jim Rouiller, a senior energy meteorologist for Planalytics, predicts that nearly 85 Percent of oil and gas facilities in the U.S. Gulf of Mexico will be shut in with significant damage potential as Gustav, currently a tropical storm, enters the Gulf as a hurricane. Rouiller has been credited with predicting the course and destructive nature of Hurricane Katrina.

[http://www.rigzone.com/news/article.asp?a\\_id=65944](http://www.rigzone.com/news/article.asp?a_id=65944)

## **Update: Catalytic Cracker Restarts at Petro-Canada's 135,000 b/d Edmonton, Refinery August 27**

The catalytic cracker restarted on August 27 after shutting down due to a mechanical failure on August 3. The outage has left dozens of gas stations in Alberta and British Columbia without gasoline. A spokesman for Petro-Canada said that it would be sometime before all service stations will have gasoline again.

<http://www.canada.com/calgaryherald/news/story.html?id=abe849de-3dab-4195-ad75-ccd47d069875>

## **Update: CDU Returns to Operation at Valero's 146,000 b/d Corpus Christi, Texas Refinery**

Valero said that a crude distillation unit (CDU) restarted and was operating at planned rates on August 27. The unit was shut August 13 due to a problem with a heater.

Bloomberg News, 13:42 August 27, 2008

## **FCCU Cooling Tower Leak Reported at BP's 417,000 b/d Texas City, Texas Refinery August 26**

According to a filing with Texas regulators, BP discovered a leak in a heat exchanger on a cooling tower associated with its fluidic catalytic cracking unit (FCCU) No. 1. The company took the heat exchanger out of service in order to fix the leak. The FCCU No. 1 flared during the incident but it is unclear whether the unit was shut down.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=113158>

## **RHU Depressurized at BP's 417,000 b/d Texas City, Texas Refinery August 26**

According to a filing with Texas regulators, high temperature reading on residual hydrotreating unit (RHU) 200 train reactor caused the safety system to engage and this resulted in depressurization of reactor. The unit stabilized after the reactor was depressured.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=113160>

## **Process Upset Reported at WRB Refining's 146,000 b/d Borger, Texas Refinery August 26**

According to a filing with Texas regulators, a process upset led to flaring in Area A of the refinery.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=113162>

## **EIA Chief Says Structural Shift Means Permanent Loss in U.S. Petroleum Demand**

Guy Caruso, the outgoing head of the Energy Information Administration (EIA), said that a portion of U.S. petroleum demand lost due to high fuel prices and a slow economy may never return due to a structural shift among consumers towards more fuel-efficient vehicles. US petroleum demand has contracted by about 800,000 b/d this year, according to the EIA.

Oil Daily, August 27, 2008

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## **Natural Gas**

**(For Information on Evacuations of Personnel in the Gulf of Mexico See First Story in Petroleum Section)**

## **Pigging Problems Shut 1 Bcf/d Sea Robin Pipeline and Processing Plant August 27**

Sea Robin Pipeline Company began pigging operations in the offshore pipeline segment between Vermillion 149 and the Sea Robin Condensate Facility, operated by Devon Gas Service, L.P., on August 25. During these activities, the level of condensate and water has exceeded the capacity at the Devon facility. As a result the system, which has the capacity to ship 1.0 Bcf/d, has been shut in. The Sea Robin Processing Plant operated by the Hess Corporation has also experienced a shut down as a result of the pigging operations.

<http://infopost.panhandleenergy.com/InfoPost/jsp/NoticeDetail.jsp?NoticeId=3794>

<http://infopost.panhandleenergy.com/InfoPost/jsp/frameSet.jsp?pipe=ser>

### **Mariner Increases Production in Bass Lite Deepwater Field in Gulf of Mexico**

Mariner Energy, Inc. has completed the primary production system for its Bass Lite deepwater field in the Gulf of Mexico. The completed system allows production of up to 130 MMcf/d from the two wells at Bass Lite, up from previous early production levels of 70-75 MMcf/d. Current daily production from the field is 118 MMcf/d. Bass Lite, located in Atwater Valley Block 426 in water depths of approximately 6,750 feet, commenced operation in February 2008.

<http://ir.mariner-energy.com/phoenix.zhtml?c=129671&p=iro-l-newsArticle&ID=1190931&highlight=style>

### **Three Compressors Reported Shut at Andrews Booster Station in Texas August 26**

According to a filing with Texas regulators, Andrews compressors 1, 3 and 6 were shut down, resulting in the flaring of interstage gas. Operators believe the shutdowns were due to a short power outage.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=113131>

### **Kinder Morgan Pipeline Segment Depressurized in Texas**

According to a filing with Texas regulators a segment of the company's pipeline system was isolated and depressurized in Harrison County, Texas. The cause of the incident is still under investigation.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=113165>

## **Other News**

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### **Coast Guard Begins Enforcing Nontank Vessel Response Mandates**

The U.S. Coast Guard announced August 26 the beginning of enforcement of the requirements for owners and operators of large cargo vessels, known as nontank vessels, to prepare and submit plans for responding to a worst case oil spill from their vessels. Should a nontank vessel be found operating in a U.S. port or waterway without a properly submitted response plan, the Coast Guard Captain of the Port will exercise authority under the Ports and Waterways Safety Act of 1972 and impose operational controls, as necessary, on the vessel to safeguard the port.

<http://www.piersystem.com/go/doc/786/221689/>

## **Energy Prices**

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<b>U.S. Oil and Gas Prices</b>			
August 27, 2008			
	<b>Today</b>	<b>Week Ago</b>	<b>Year Ago</b>
<b>CRUDE OIL</b>			
<b>West Texas Intermediate U.S.</b>	117.65	113.54	71.98
\$/Barrel			
<b>NATURAL GAS</b>			
<b>Henry Hub</b>	8.54	7.73	5.34
\$/Million Btu			

Source: Reuters

## **Energy Notes**

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### **Alberta Government Pressing Ahead with Plans to Accept Oil Sands Bitumen in Lieu of Royalty Payments to Encourage Upgrading**

<http://www.downstreamtoday.com/News/ArticlePrint.aspx?aid=12493>

### **U.S. State Dept. Assessment Finds Pemex's Proposed 45,000 b/d El Paso, Texas-Laredo, Mexico Fuel Pipeline to Have No Significant Impact on Environment**

<http://www.downstreamtoday.com/News/ArticlePrint.aspx?aid=12500>

## U.S. Heating Oil Dealers Clamp Down on Unpaid Bills

<http://uk.reuters.com/article/oilRpt/idUKN2611035520080827>

### Links

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***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](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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*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/ead.aspx>

Please direct comments and questions to: [ead@oe.netl.doe.gov](mailto:ead@oe.netl.doe.gov)