



ENERGY ASSURANCE DAILY

Tuesday Evening, September 04, 2007

Electricity

CAISO Declares Restricted Maintenance Operations for Southern California September 4

CAISO cautioned market participants in Southern California to avoid actions that may jeopardize generator or transmission availability. On September 3 CAISO issued a restricted maintenance operation for the entire state.

<http://oasis.caiso.com/>

Reuters, 12:19 September 4, 2007

By Monday Morning on September 4, Only 64,000 Customers Still without Power in Southern California

Increased demand due to high temperatures strained the power grid causing hundreds of thousands of customers throughout the region to lose power at one time or another over the Labor Day weekend. According to Reuters, by early morning on September 4, the outages had been reduced to approximately 64,000. Southern California Edison accounted for more than 33,700 of the outages, Los Angeles Department of Water and Power 26,000 and San Diego Gas and Electric 4,566. Over the course of the weekend, SoCal Edison reported that some 538,000 customers lost power and San Diego Gas & Electric reported 85,000 customers out of power; the cumulative outages for the LADWP were not available.

Reuters, 15:00 September 4, 2007

<http://www.foxnews.com/story/0,2933,295667,00.html>

<http://www.dailybreeze.com/news/articles/9561957.html>

<http://outages.sdge.com/publicOutageWeb/servlet/OutageList>

All-time Record Electricity Demand Set by Southern California Edison Customers August 31

According to Southern California Edison, demand on the system reached 23,303 MW on Friday August 31. That level surpassed the previous record set in July of 2006.

Reuters, 19:52 August 31, 2007

San Diego Gas and Electric Declares Heat Emergency, Warns of Possible Rolling Blackouts September 4

The Southern Californian power distributor issued a heat emergency urging customers to conserve electricity. The utility also warned that rolling blackouts may be necessary to control strain on the grid.

<http://www.sdge.com/index.shtml>

Update: Entergy's 610 MW Vermont Yankee Nuke Unit in Vermont Underwent Automatic Shutdown August 30

Plant officials said that the plant went into automatic shutdown after multiple turbine valves shut off.

<http://www.wmur.com/news/14015043/detail.html>

Dynegy and LS Power to Break Ground on 900 MW Coal-fired Sandy Creek Project in Texas

<http://www.platts.com/Coal/News/8236424.xml?p=Coal/News&sub=Coal>

Update: FPL's 839 MW St Lucie Nuke Unit 2 in Florida Returns to Full Power September 4

The unit had been operating at 3 percent of capacity on Friday, August 31 after exiting an outage so that a cracked weld on an injection line could be repaired.

Reuters, 14:00 September 4, 2007

Duke's 846 MW Oconee Nuke Unit 2 in South Carolina Returns to Full Power

The unit returned to operating at full capacity following replacement of a pressure injection pump.

Reuters, 07:28 September 4, 2007

OPG's 535 MW Lennox Oil and Gas-fired Unit 3 in Ontario Shut September 4

Reuters, 15:27 September 4, 2007

TVA's 1,155 MW Browns Ferry Nuke Unit 1 in Alabama Shut September 3

Reuters, 15:27 September 4, 2007

Entergy's 1,266 MW Grand Gulf Nuke Unit in Mississippi Shut September 1

Reuters, 15:27 September 4, 2007

Complete's 260 MW La Paloma Gas-fired Unit 1 in California Shut September 3

Reuters, 15:27 September 4, 2007

Mirant's 282 MW Pittsburg Gas-fired Unit 7 California Shut September 3

Reuters, 15:27 September 4, 2007

Petroleum

Update: Mexican Off-shore Production Back to Normal After Hurricane Dean August 31

Pemex reported that it had restored operations in the Sound of Campeche back to pre-Dean levels of 2.6 million b/d of crude and 2.3 Bcf/d of natural gas.

<http://www.platts.com/Oil/News/8233790.xml?p=Oil/News&sub=Oil>

Reuters, 19:59 August 31, 2007

FCC Unit Shut at Motiva's 285,000 b/d Port Arthur, Texas Refinery – Traders

According to traders in the region, Motiva shut the unit over the weekend. The 90,000 b/d unit is expected to be out of service for approximately one week.

Reuters, 10:36 September 4, 2007

Chevron Restarts Units at its 330,000 b/d Pascagoula, Mississippi Refinery August 31

According to a statement released by Chevron, several process units have been successfully restarted. The units were closed following a fire on August 16. Chevron still does not know what caused the incident.

<http://www.chevron.com/news/press/2007/2007-08-31.asp>

Compressor Failure at Total's 232,000 b/d Port Arthur, Texas Refinery September 2

According to a report filed with state regulators, the unit flared after the hydrogen circulation compressor failed.

<http://www2.tceq.state.tx.us/eer/main/index.cfm?fuseaction=getDetails&target=96943>

SRU Briefly Shut at Alon's 67,000 b/d Big Spring, Texas Refinery September 2

According to a report filed with state regulators, a valve malfunction disrupted the flow path to the Sulfur Recovery Unit 2, which caused it to shut off. The unit was returned to service approximately six hours after the event had begun.

<http://www2.tceq.state.tx.us/eer/main/index.cfm?fuseaction=getDetails&target=96937>

Reuters, 00:46 September 3, 2007

Flaring Event Reported at ExxonMobil's 155,800 b/d Torrance, California Refinery September 1

<http://www.oes.ca.gov/Operational/MALHaz.nsf/f1841a103c102734882563e200760c4a/e260a82d8396a3528825734a00113b9d?OpenDocument>

Flaring Event Reported at Chevron's 274,000 b/d El Segundo, California Refinery September 1

<http://www.oes.ca.gov/Operational/MALHaz.nsf/f1841a103c102734882563e200760c4a/7347cfec87758bfa8825734b00680044?OpenDocument>

Update: Longhorn Pipeline Restarted Late August 31

The line carrying petroleum products from Texas to Arizona had been shut for repairs; the line is now reported to be operating normally following the restart.

Reuters, 13:16 September 2, 2007

Update: Valero Restarts 175,000 b/d Crude Unit at 325,000 b/d Port Arthur, Texas Refinery September 4

The company reported that both of the crude distillation units at the refinery were operating at reduced rates because of a problem with the coking unit that has limited the amount of feed available to the crude units. According to a representative of the company, the 105,000 b/d coking unit is operating at about 80,000 b/d.

Reuters, 08:57 September 4, 2007

Update: ExxonMobil Restarts Coking Unit at 60,000 b/d Billings, Montana Refinery

According to a company representative, the unit which had been shut down for a couple of days, was restarted during the weekend.

Bloomberg News, 14:38 September 4, 2007

Update: Nigerian President Seeks Emergency Powers to Deal with Growing Energy Problems

Nigerian President Umaru Yar'Adua will seek emergency powers to enable a wider response to growing problem of energy infrastructure sabotage. Sabotage has both reduced oil exports and crippled the domestic electricity sector.

Reuters, 04:18 September 3, 2007

Natural Gas

Spectra Energy Announces Expansion Plans to Meet Northeast Market Needs

Spectra Energy announced plans to develop new infrastructure to move natural gas into and through the northeastern portion of the U.S. Spectra's East-to-West Project includes an expansion of the Algonquin Pipeline system to serve the LNG import facilities along the Atlantic Coast by providing the ability to reverse the flow of the line. In addition, the project will establish interconnects with Texas Eastern Pipeline and Maritimes & Northeast Pipeline, and four other interstate pipelines. The project is anticipated to be in service by November 2009.

Reuters, 11:00 September 4, 2007

Bloomberg News, 10:00 September 4, 2007

Chevron Holds Open Season for Keystone Gas Storage Expansion

Chevron Keystone Gas, a wholly owned subsidiary of Chevron Corporation, announced a non-binding open season to determine the demand for its planned 3 Bcf expansion at the Keystone facility in Texas. If undertaken, the expansion will increase the capacity of the facility to 8 Bcf and increase injection capacity to 200 MMcf/d. The open season will close on September 14.

Reuters, 14:00 September 4, 2007

Other News

Update: Closure of Utah Coal Mine Causes Supply Problems for Power Plant

The closure of Crandall Canyon Mine following the unsuccessful attempt to rescue six trapped miners last month has created supply problems for Intermountain Power Agency's Delta Power Station. Intermountain Power Agency produces electricity for 36 municipal power providers in Utah and California.

<http://www.myfoxutah.com/myfox/pages/News/Detail?contentId=4227394&version=1&locale=EN-US&layoutCode=TSTY&pageId=3.2.1>

Weakening Hurricane Felix Poses Little Threat to Oil and Gas Assets in Gulf of Mexico September 4

Hurricane Felix took a southward turn away from the Gulf of Mexico to make landfall on the northeastern coast of Nicaragua today. According to forecasts released from the National Hurricane Center at 17:00 September 4, Felix is expected to dissipate within the next 36 to 48 hours. Natural gas prices opened 16 to 18 cents lower this morning in view of Felix's southern path. Pemex had announced that it had not evacuated any workers from its offshore assets in the Bay of Campeche.

Reuters, 08:49 September 4, 2007

<http://www.nhc.noaa.gov/text/refresh/MIATCDAT1+shtml/042038.shtml?>

Energy Prices

U.S. Oil and Gas Prices			
September 4, 2007			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	75.07	71.79	69.15
\$/Barrel			
NATURAL GAS			
Henry Hub	5.30	5.56	5.24
\$/Million Btu			

Source: Reuters

Energy Notes

Update: Southwestern Power Group to Switch Proposed 600 MW Coal Plant to Natural Gas in Arizona

<http://www.kold.com/Global/story.asp?S=7015277>

Update: California Energy Commission Accepts Application for 850 MW Gas-fired Peaking Plant in Riverside County

<http://intelligencepress.com/>

\$40 Billion Worth of Natural Gas Flared Over Last 12 Years

<http://intelligencepress.com/>

Update: Bradwood Landing LNG Terminal Approval Recommended by Oregon Planning Commission

http://www.downstreamtoday.com/News/Articles/200708/Oregon_Planning_Commission_Recommends_Br_5727.aspx

PG&E Applauds Customers for Conservation Efforts during Intense California Heat Wave

<http://biz.yahoo.com/prnews/070831/aqf052.html?.v=15>

LNG Terminal Construction Will Overshoot Demand - Analysts

http://www.energy-business-review.com/article_feature.asp?guid=1DD8CDD7-F351-4993-AFDF-D213B16B9929

Update: Above Average Activity Predicted by Colorado State University Hurricane Forecast Team

Reuters, 09:37 September 4, 2007

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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