



ENERGY ASSURANCE DAILY

Thursday Evening, September 13, 2007

Major Developments

Hurricane Humberto Hits Gulf Coast: Three Refineries, Houston and Sabine Ship Channels Shut: 125,000 Customers Lose Power in Texas and Louisiana September 13

Tropical Storm Humberto became a Category 1 Hurricane just before making landfall near Galveston, Texas at approximately 3:00 a.m. on September 13. The storm had sustained winds of 85 mph. Power outages affected approximately 125,000 customers in Texas and Louisiana. Three refineries were shut down as a result of the storm. See Details below. In addition, the strong winds that forced closure of the Houston Ship Channel on September 12, diminished to allow the channel to be reopened to normal ship traffic early on September 13. The Calcasieu Ship Channel which closed on September 12 is expected to reopen by midday on September 13. Ship traffic is not expected to resume in Port Arthur until September 14.

Total's 232,000 b/d Port Arthur, Texas Refinery Shut After Humberto Knocks Power Out September 13

According to a report filed with state regulators, Hurricane Humberto knocked out power to the facility forcing the refinery to shut. The report cited work that was going on to assess damage and restore power to the plant. A later report revealed that the facility had begun to restart with estimates of complete restoration by September 18.

<http://www2.tceq.state.tx.us/eer/main/index.cfm?fuseaction=getDetails&target=97362>

<http://www2.tceq.state.tx.us/eer/main/index.cfm?fuseaction=getDetails&target=97351>

<http://www2.tceq.state.tx.us/eer/main/index.cfm?fuseaction=getDetails&target=97364>

Valero's 325,000 b/d Port Arthur, Texas Refinery Loses Power, Restart to Begin Evening of September 13

Hurricane Humberto knocked out power to the facility forcing the refinery to close. Valero reported that some power had been restored to the plant, but released no timetable for production restoration. According to a report filed with state regulators, the restart of the refinery should commence at 8:00 p.m. this evening and is anticipated to be completed in three days.

Reuters, 12:56 September 13, 2007

Motiva's 285,000 Port Arthur, Texas Refinery Shut – Shell Assessing Damage

Traders in the area reported that the refinery was closed and Reuters carried a story confirming that a power outage had closed the refinery. A Houston Chronicle story indicated that the refinery was closed and that Shell was assessing damage and was unable to state when the facility would come back on-line.

<http://uk.reuters.com/article/oilRpt/idUKN1339576220070913>

<http://uk.reuters.com/article/oilRpt/idUKN1335901420070913>

<http://www.chron.com/disp/story.mpl/front/5131608.html>

TEPPCO Beaumont Terminal Suffers Power Failure: Pipelines Shut – Crews Working to Restore 20-Inch Gasoline Line September 13

The power failure hit the primary point of origin for both a 20-inch line transporting mainly gasoline and LPG and a 14-inch line that carries distillates and gasoline. Crews are working to restore the 20-inch line and anticipate that the line could be operating at about 75 percent of capacity with product originating from terminals upstream of Beaumont by sometime during the afternoon of September 13. The 14-inch line will be brought back with restoration of utilities.

OPIS, 01:26 September 13, 2007

Humberto Knocks Out Power to 125,000 Customers in Texas and Louisiana September 13

Strong winds up to 85 mph from Hurricane Humberto knocked out power to 112,000 Entergy Texas Customers in Texas and 13,000 Customers of Beauregard Electric Cooperative, Entergy Louisiana, and Cleco in Louisiana. A spokeswoman for Entergy Texas, Debbie Derrick, said that 39 transmission systems were damaged and 42 substations were affected by the storm. She also commented that it could take several days before all customers have their power restored.

http://www.panews.com/local/local_story_256132948.html

<http://www.ktbs.com/news/Hurricane-Humberto-moves-on-Central-Louisiana--4950/>

<http://www.marketwatch.com/News/Story/Story.aspx?guid=%7bF6F78A90-E248-4E23-BCE1-8CCEA424D943%7d&siteid=yhoo&dist=yhoo>

Additional Sources

<http://uk.reuters.com/article/oilRpt/idUKN1332985120070913>

http://thestar.com.my/news/story.asp?file=/2007/9/13/worldupdates/2007-09-13t182124z_01_nootr_rtrmdnc_0_india-295102-2&sec=worldupdates

<http://biz.yahoo.com/bizj/070913/1519800.html?v=1>

<http://www.chron.com/disp/story.mpl/headline/biz/5131608.html>

OPIS 13:06 September 13, 2007

[http://today.reuters.com/news/articleinvesting.aspx?type=bondsNews&storyID=2007-09-13T123635Z_01_N13318845_RTRIDST_0_STORM-HUMBERTO-UPDATE-](http://today.reuters.com/news/articleinvesting.aspx?type=bondsNews&storyID=2007-09-13T123635Z_01_N13318845_RTRIDST_0_STORM-HUMBERTO-UPDATE-2.XML&pageNumber=1&imageid=&cap=&sz=13&WTModLoc=InvArt-C1-ArticlePage1)

http://thestar.com.my/news/story.asp?file=/2007/9/13/worldupdates/2007-09-13t182124z_01_nootr_rtrmdnc_0_india-295102-2&sec=worldupdates

<http://www.marketwatch.com/News/Story/Story.aspx?guid=%7bF6F78A90-E248-4E23-BCE1-8CCEA424D943%7d&siteid=yhoo&dist=yhoo>

<http://www.marketwatch.com/News/Story/Story.aspx?guid=%7b8F1F4ADD-C2AD-4044-8DB9-0EF312648BED%7d&siteid=yhoo&dist=yhoo>

<http://www.marketwatch.com/News/Story/Story.aspx?guid=%7b8F1F4ADD-C2AD-4044-8DB9-0EF312648BED%7d&siteid=yhoo&dist=yhoo>

Electricity

Update: OPG's 490 MW Nanticoke Coal-fired Unit 1 in Ontario Back in Service

September 13

The unit was shut on September 12.

Reuters, 10:22 September 13, 2007

TVA's 1,155 MW Browns Ferry Nuke Unit 1 Reduced to 55 Percent of Capacity

September 13

According to a TVA representative, the unit was operating at reduced capacity so that work could be performed on a reactor coolant circulation pump control system. Although no information was available on the exact date when the unit would return to full power, the reduction is expected to be of short duration.

Bloomberg News, 10:40 September 13, 2007

Reuters, 09:00 September 13, 2007

Update: AEP's 528 MW Welsh Coal-fired Unit 3 in Texas Restarting September 13

The restart is expected to be complete on September 17.

Reuters, 11:36 September 13, 2007

Duke's 1,300 MW Zimmer Coal-fired Unit in Ohio Shut September 11

Reuters, 19:23 September 12, 2007

Petroleum

Humberto Helps Push Crude to New Record – Over \$80 a Barrel September 13

On news of multiple refinery closures light sweet crude closed at \$80.09 today. This is the first time in history that crude has closed above \$80 a barrel.

<http://www.chron.com/disp/story.mpl/front/5131608.html>

Power Surge Shuts SRU at Total's 232,000 b/d Refinery in Port Arthur, Texas September 12

According to a report filed with state regulators, the sulfur recovery unit SRU-3 was shut when a power surge occurred during a thunderstorm. In addition, the company also reduced rates to some other units as a result of the shut down of the SRU. The refinery was later shut completely by Hurricane Humberto; see related story in Major Developments above.

Reuters, 16:39 September 12, 2007

Fire at Fuel Warehouse in Missouri Has no Impact on Gasoline Supplies

According to gasoline traders in the area, although the fire at the Warrenton Oil Company engulfed the warehouse and offices, there was no impact on gasoline supplies in the region.

Reuters, 09:56 September 13, 2007

OPEC Seeks to Reconcile Discrepancy Between Venezuela's Official Production Figures and Estimates of Other Organizations

OPEC officials have met with Venezuelan representatives in order to reconcile Venezuela's officially stated production estimates against those of secondary sources. This meeting comes after secondary sources released estimates a third lower than those of Venezuela.

http://www.rigzone.com/news/article.asp?a_id=50129

Natural Gas

FERC Approves Gulfstream's Phase IV Pipeline Project in Florida September 10

The proposed pipeline will supply natural gas to Progress Energy's Bartow Power Plant in Pinellas County, Florida.

<http://www.gulfstreamgas.com/phase4.htm>

<http://powermarketers.net/contentinc.net/newsreader.asp?ppa=8kowu%5D%5Cfikgkr%5BTgd%27%40%3E%20bfem%5Ey>

DCP Midstream Shuts 6-inch Pipeline After Release Discovered in Texas September 12

According to a report filed with state regulators, internal corrosion resulted in a line failure releasing approximately 66,280 lbs of gas. The line was closed upon discovery of the leak and is being inspected by the company.

<http://www2.tceq.state.tx.us/eer/main/index.cfm?fuseaction=getDetails&target=97339>

Other News

Nothing to report

Energy Prices

U.S. Oil and Gas Prices			
September 13, 2007			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	79.86	75.59	64.43
NATURAL GAS Henry Hub \$/Million Btu	6.13	5.80	5.57

Source: Reuters

Energy Notes

Update: Exxon Seeks Arbitration Regarding Venezuelan Nationalization of Cerro Negro Heavy Oil Project

<http://www.iht.com/articles/ap/2007/09/12/business/NA-FIN-US-Exxon-Venezuela.php>

Clean Energy Fuels Begins Construction on 160,000 gallons/day LNG Production Plant in California

http://biz.yahoo.com/ap/070913/clean_energy_fuels_corp_mover.html?.v=1

Thunderstorm Knocks Out Power to 15,000 LIPA Customers in New York September 11

<http://www.newsday.com/news/local/nassau/ny-liwet125370718sep12.0.1146365.story>

Update: California Energy Commission Likely To Approve Calpine's Proposed 600-MW Gas-fired Plant in California

<http://powermarketers.net/contentinc.net/newsreader.asp?ppa=8knpp%5E%5CfijnunjSTgd%27%40%3E%20bfem%5Ev>

ComEd Reports to Illinois Commerce Commission Regarding August Storms Restoration

<http://www.prnewswire.com/cgi-bin/stories.pl?ACCT=109&STORY=/www/story/09-11-2007/0004660861&EDATE=>

AES Appeals to Commerce Department to Override Maryland's Objections to Sparrows Point LNG Terminal

<http://intelligencepress.com/>

Natural Gas Storage Increases by 64 Bcf, Above 5-Year Average-EIA

http://biz.yahoo.com/ap/070913/natural_gas_storage.html?.v=1

Construction Begins on LNG Vehicle Fuel Production Plant in California September 12

Reuters, Business Wire, 08:00 September 13, 2007

Union Pacific RR Hauls Record Volume of Powder River Basin Coal in August

Reuters, 11:22 September 13, 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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