



ENERGY ASSURANCE DAILY

Friday Evening, September 14, 2007

Major Developments

Update: Hurricane Humberto Downgraded to Tropical Depression

Hurricane Humberto weakened as it approached southwestern Louisiana and was downgraded to a tropical depression by 5:00 EDT on September 13. Although the storm has weakened dramatically, heavy rains of 4 to 8 inches for portions of Louisiana, Mississippi and Alabama were predicted during the next 24 hours.

Utilities Continue Restoring Power to Customers in Texas and Louisiana September 14

Entergy reported that the peak number of customer outages from Humberto totaled 118,000 in Texas and Louisiana. As of 10:30 PM EDT 9/13/07 Entergy reported that 74,818 customers remained without power in Texas. The majority of outages are in the counties of Jefferson, Orange, and Galveston. In Louisiana, Entergy reported 1,562 customers without power while Beauregard Electric Cooperative reported that power had been restored to all 8,000 customers that had lost power. Entergy anticipated that it could take several days, perhaps September 18, before power is completely restored to all customers.

http://www.entergy.com/news_room/newsrelease.aspx?NR_ID=1046

<http://www.theexaminer.com/npps/story.cfm?ID=1908>

<http://www.beci.org/pr070915.html>

Power Restored to Valero's 325,000 b/d Refinery in Port Arthur, Texas September 13

According to a report filed with state regulators, the refinery will return to normal operations using post-hurricane startup-procedures as soon as possible. Start-up activities are underway and the company is working toward returning to production by the end of next week

<http://www2.tceq.state.tx.us/eer/main/index.cfm?fuseaction=getDetails&target=97438>

Reuters, 19:06 September 13, 2007

Reuters, 09:58 September 14, 2007

Power Restored to Shell Motiva's 285,000 b/d Port Arthur, Texas Refinery September 14

Shell Motiva Refinery damage assessments are being conducted and utility crews are onsite replacing broken and damaged power poles. Motiva anticipates the damage assessment will be completed by Monday.

Reuters, 09:44 September 14, 2007

Bloomberg News, 10:07 September 14, 2007

<http://uk.reuters.com/article/oilRpt/idUKN1445518220070914>

Power Restored to Total's 232,000 b/d Refinery in Port Arthur, Texas September 14

Restart of the refinery is underway according to a report from Reuters.

Reuters, 09:39 September 14, 2007

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

Oils Shipping Routes Reopening as Storm Passes

The Houston ship channel reopened early Thursday morning (9/13). Vessel traffic through Port Arthur is not expected to restart until Friday. Thursday afternoon, the Captain of the Port established a 32-foot maximum draft limitation for the entire Sabine-Neches Waterway until The Army Corp of Engineers completes its channel survey today. The Gulf Intracoastal Waterway is allowing shallow draft tow and light tug traffic in the Port Arthur area.

Reuters 15:39 September 13, 2007

TEPPCO's 20-inch Gasoline Line Back in Service at 80 Percent of Capacity

The line carries gasoline and other refined products from the Gulf Coast to the Midwest is operating at 80 percent of capacity. A 14-inch line carrying distillate fuel oil remains out of service.

Reuters, 11:21 September 14, 2007

Damaged Storage Tank Under Construction at Golden Pass LNG Terminal Can be Repaired

The tank suffered wind damage during the storm. According to a representative of the company the damage is currently being assessed for a cost estimate but the tank can be repaired.

http://www.southeasttexaslive.com/site/news.cfm?newsid=18814698&BRD=2287&PAG=461&dept_id=512588&rfi=6

Electricity

ITC, AEP Study Recommends 700 Miles of New Transmission Lines in Michigan and Ohio

ITC Holdings Corp., in collaboration with American Electric Power (AEP), has released the findings of a joint study evaluating the feasibility and benefits of building a new 765 kV transmission network across Michigan's southern Lower Peninsula into Ohio. The study, originally undertaken to analyze transmission needs in Michigan, also details some of the regional benefits such an extra-high voltage electric infrastructure would provide to the Midwest. The proposed 700-mile network would connect to existing AEP high-voltage systems in the southwest corner of Michigan and in Ohio and establish a regional transmission corridor capable of improving electric reliability, relieving power congestion, enhancing market access to the grid, and aiding in more efficient distribution of current generation.

<http://investor.itc-holdings.com/releasedetail.cfm?ReleaseID=264051>

Drought Reducing Hydropower Production in North Carolina

Drought is causing low water levels on rivers in North Carolina, affecting hydropower production. Progress Energy reports that its three hydroelectric plants have cut production by 30% and Duke Energy's 18 plants are producing at 45% of last year's production

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

Update: TVA's 1,155 MW Browns Ferry Nuke Unit 1 in Alabama Returns to Full Power September 14

The unit had been operating at reduced capacity on September 13 so that work could be performed on a control system related to a reactor coolant recirculation pump.

Bloomberg News, 11:01 September 14, 2007

Calpine's 525 MW Sutter Energy Center Reduced by 285 MW in California September 13

According to a report from the California Independent System Operator, the facility unexpectedly idled 285 MW of capacity on September 13. The plant consists of three units each with a nameplate capacity of 212 MW.

Bloomberg News, 19:13 September 13, 2007

Maine Public Utilities Commission: 25 Reports of Copper Wire Thefts So Far in 2007

http://www.boston.com/news/local/articles/2007/09/14/officials_warn_copper_thieves_on_risks/

Petroleum

Murphy Oil Considering Major Refinery Expansion in Wisconsin

Officials from Murphy Oil have met with representatives from the Wisconsin Department of Natural Resources, the Army Corps of Engineers and the U.S. Fish and Wildlife Service to discuss the possibility of a major expansion of its refinery Superior, Wisconsin. Plans call for boosting capacity from 35,000 b/d to 235,000 b/d. The expansion would be aimed at dealing with increased availability of Canadian crude oil thus enabling the company to meet increased demand in the region.

http://money.cnn.com/news/newsfeeds/articles/djf500/200709141157DOWJONESDJONLINE000716_FORTUNE5.htm

Sunoco Holding Open Season for Lake Charles Pipeline from Texas to Louisiana

Sunoco Pipeline L.P., commenced an open season for the new Lake Charles Pipeline on September 13. The Lake Charles Pipeline will be a crude oil pipeline from Sunoco Logistics' Nederland, Texas terminal to refining centers in Lake Charles, Louisiana. The Lake Charles Pipeline has a design base capacity of 213,400 b/d, with additional stand-by capacity from stand-by pump(s) of 182,600 b/d. Assuming receipt of sufficient commitments during the open season to proceed with construction, the Lake Charles Pipeline is expected to be online in the first quarter of 2010.

http://www.sunocologistics.com/about_us/press_releases/pr_091207_129.pdf

Update: Pemex Increasing Product Imports While Pipeline Repairs are Underway

Mexican state-owned oil company Pemex is repairing several lines that were damaged by bomb attacks on September 10. To meet demand for petroleum products while repairs are underway, Pemex plans to import 300,000 bbls of gasoline, 200,000 bbls of diesel fuel and 160,000 bbls of jet fuel. Pemex anticipates that repairs to the damaged lines will be completed on September 16 or 17. Pemex regularly imports petroleum products to make up the difference between what its refineries can produce and the growing domestic demand. Year-to-date daily imports have averaged 204,700 barrels of gasoline and 40,500 barrels of diesel fuel.

Bloomberg News, 19:20 September 13, 2007

Natural Gas

National Energy Board Approves Alliance's Application for British Columbia Natural Gas Pipeline Expansion Project

http://www.downstreamtoday.com/News/Articles/200709/NEB_Gives_Alliance_Green_Light_for_B_C_5942.aspx

Other News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices			
September 14, 2007			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	79.93	76.90	63.05
\$/Barrel			
NATURAL GAS			
Henry Hub	6.27	6.02	5.09
\$/Million Btu			

Source: Reuters

Energy Notes

NPPD Narrows Possible Routes for Proposed 345 kV Transmission Line in East-Central Nebraska

<http://www.columbustelegram.com/articles/2007/09/11/news/news1nppd.txt>

Update: FEMA Says New Indian Point Warning Sirens Inadequate and Cannot be Approved Until Changes Made

<http://www.businessweek.com/ap/financialnews/D8RK6VSO0.htm>

Federal Judge Rules that States Have Power to Set Limits on Vehicle Emissions

Oil Daily, September 14, 2007

Small Oil Spill Reported at Tesoro's 166,000 b/d Martinez, California Refinery September 13

Bloomberg News, 14:34 September 13, 2007

BP Postpones Some Projects to Focus on Thunder Horse and Gulf of Mexico Projects

<http://intelligencepress.com/>

ExxonMobil and Venezuela Preparing for Compensation Arbitration over Nationalization of Cerro Negro Project

Reuters, 10:53 September 14, 2007

Pemex Struggles to Supply Natural Gas after Multiple Pipeline Explosions

http://www.downstreamtoday.com/News/Articles/200709/Pemex_Struggles_to_Get_Industrial_Gas_Fl_5953.aspx

Shell Training Facilities Address Industry Labor Shortage

http://www.rigzone.com/news/article.asp?a_id=49975

County Board Approves 100 MW Story Wind Farm in Florida

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=8882885

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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