



ENERGY ASSURANCE DAILY

Wednesday Evening, September 26, 2007

Electricity

AEP's 675 MW Pirkey Coal-Fired Unit in Texas Back in Service September 26

American Electric Power Co. shut the Texas power station for maintenance work on September 18 to repair boilers at the 675 MW coal-fired unit. The company planned to have the repairs completed by September 24, but Reuters reported the plant coming back online today.

Reuters, 09:17 September 16, 2007

Update: Calpine's 511 MW Pastoria Gas-Fired Unit in California Back in Service September 25

The unit was shut on September 23, and was operating with 11 MW of capacity idled as of late yesterday afternoon. Bloomberg News, 18:45 September 25, 2007

Calpine's 285 MW Sutter Gas-Fired Unit in California Shut September 25

According to a filing with CAISO, one of the two units at the Sutter Energy Center had an unplanned shutdown. The restart date is unknown.

<http://www.caiso.com/unitstatus/data/unitstatus200709251515.html>

Reuters, 09:17 September 26, 2007

Bloomberg News, 18:45 September 25, 2007

Update: Trans Bay Cable Project Financing Complete

The Trans Bay Cable LLC (TBC) project surpassed the final milestone in the preconstruction process by securing the financing for the proposed High Voltage Direct Current transmission line that will run under the San Francisco Bay. The TBC project is a planned 53-mile long HVDC transmission line of 400 MW and will begin construction in the fourth quarter of 2007 with completion expected first half of 2010.

<http://digital50.com/news/items/PR/2007/09/21/AQF058/babcock-brown-completes-financing-for-trans-bay-cable-project.html>

<http://money.cnn.com/news/newsfeeds/articles/newstex/AFX-0013-19838980.htm>

U.S. Weekly Power Output Increased From 2006 – EEI

According to data released by the Edison Electric Institute, power production in the continental United States rose 3.4 percent in the past year, to a total of 73,190 gigawatt hours. The released EEI data shows that the Pacific Southwest region had the largest percentage decline in output, year-on-year, falling 3.1 percent to 5,932 GWh. The Rocky Mountain region showed, again, the largest gain on output, year-on-year, increasing 13.1 percent to 5,585 GWh.

Reuters, 11:10 September 26, 2007

Petroleum

Weak Dollar Central to Increase of Average 2008 Oil Price Forecast for U.S. Crude

According to a Reuters poll, a weakening dollar will boost average oil prices to a record level next year. An independent analyst with Energy Ltd. says, "Behind the market tightening, we see global oil demand accelerating..." Falling U.S. crude stocks, concern about storm damage to Gulf of Mexico oil installations, interest rate cuts and a weak dollar have pushed oil to a record \$83.90 a barrel this month.

Reuters, 07:49 September 26, 2007

Reuters, 10:13 September 26, 2007

Domestic Crude Inventories Raise Resulting in a Drop in Prices – EIA

Stock build of crude and gasoline increase according to EIA, resulting in a drop in prices. EIA data showed domestic crude inventories rose last week, as well as gasoline and heating oil supplies, defying analysts' forecasts that they had fallen.

Reuters, 11:25 September 26, 2007

Natural Gas

Compressor Problem Reported at Tilden Gas Plant in Tilden, Texas September 25

Failure of oilers on the compressor led to the problem. The faulty equipment was replaced and the compressor was returned to service later the same day.

<http://www2.tceq.state.tx.us/eer/main/index.cfm?fuseaction=getDetails&target=97939>

Williams to Build 250-mile Natural Gas Pipeline Connecting Rocky Mountains to U.S. Northeast

Williams Cos. plans to construct a 250-mile lateral pipeline, which will have the capacity to carry enough fuel for 3 million homes from production areas in the Rocky Mountains region to markets in the U.S. Northeast. Construction on the pipeline is scheduled to begin in the near future, with startup expected in 2010.

Bloomberg News, 10:10 September 26, 2007

Lack of Natural Gas Supplies Lead Agrium to Close Kenai Nitrogen Fertilizer Plant in Alaska

Agrium announced that it plans to close the facility by the end of this month because of an inability to secure a supply of natural gas. The company indicated that it has struggled for several years to obtain an adequate supply noting that in 2001 the facility used 53 bcf but was able to obtain only 10 bcf this year. Agrium also is investigating the possibility of developing a coal-gasification facility to produce the necessary feedstock. However, if such a facility was developed, the company indicated that it could not be on-line before 2012.

http://canadianpress.google.com/article/ALeqM5inaxu3MnENqr3x_rma2C_zThd5HA

<http://money.cnn.com/news/newsfeeds/articles/marketwire/0306941.htm>

Reuters. 18:30 September 25, 2007

Other News

PetroSun in Joint Venture to Develop Biodiesel Refinery in Arizona

PetroSun Biofuels Refining, a joint venture plans to construct and operate what will eventually produce both biodiesel and ethanol. The refinery will be located in the Phoenix metropolitan area and have an annual capacity of 55 million gallon biodiesel.

http://www.downstreamtoday.com/News/Articles/200709/Arizona_Refinery_to_Use_Algal_Oil_Feedst_6175.aspx

Yucca Mountain, Nevada Testing Shows Earthquake Fault Closer than Expected

Scientists previously thought an earthquake fault ran close to the planned nuclear waste repository, but the latest tests showed that the fault runs directly beneath the site where the U.S. government plans to permanently store highly radioactive waste from nuclear power plants.

<http://www.guardian.co.uk/usa/story/0,2176842,00.html>

Energy Prices

U.S. Oil and Gas Prices September 26, 2007			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	80.31	81.99	60.28
NATURAL GAS Henry Hub \$/Million Btu	6.54	6.42	4.31

Source: Reuters

Energy Notes

Storms Cut Power to 16,000 ComEd Customers in Elgin Illinois September 25

<http://www.suntimes.com/news/metro/573680.weath092507.article>

Update: Apex Resources Says Mackenzie Valley Pipeline Canadian NEB Hearings to Resume Mid- To Late- 2008

PRNewswire, 06:30 September 26, 2007

Update: PetroCanada's 140,000 b/d Fort Hill Oil Sands Upgrader to Use Waste Water to Meet All Industrial Needs

http://www.downstreamtoday.com/News/Articles/200709/Fort_Hills_to_Use_Treated_Wastewater_at_6174.aspx

Update: Canadian Pacific Railroad Estimates New Powder River Basin Rail Line Project at \$3 billion

<http://www.platts.com/Coal/News/6489862.xml?p=Coal/News&sub=Coal>

Update: Iraq Sells 2.5 Mbbls of Kirkuk Oil to ExxonMobil – September 26

Reuters 07:23 September 26, 2007

Iraq Kirkuk Crude Exports to Turkey through Pipeline on Hold For Third Day

Reuters, 04:22 September 26, 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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