



ENERGY ASSURANCE DAILY

Thursday Evening, October 09, 2008

Major Developments

Restoration to Offshore Oil and Gas Production in Gulf of Mexico Continues, MMS Reports October 9

An estimated 563,980 b/d of oil and 2,853 MMcf/d of natural gas output remained shut in the Gulf of Mexico October 9 according to the Minerals Management Service (MMS). Those totals account for about 43.4 percent of the Federal offshore oil production in the Gulf, and approximately 38.6 percent of its natural gas output. Based on data from offshore operator reports submitted as of 11:30 a.m. CDT October 9, personnel remain evacuated from a total of 85 production platforms, equivalent to 12.3 percent of the 694 manned platforms in the Gulf of Mexico. There are no longer any evacuated rigs in the Gulf. Offshore oil and gas operators continued to reboard platforms and restore production.

<http://www.mms.gov/oc/press/2008/press1009.htm>

Majority of Oil and Gas Production in Louisiana Restored Following Hurricanes Ike and Gustav October 9

On October 9, the Louisiana's Department of Natural Resources reported that 89,542 b/d, or 57.5 percent, of the normal Louisiana oil production has been restored. Operations in 17 parishes and in-State offshore, areas normally produce 155,767 b/d (the numbers are in addition to MMS reports of federal offshore production). Shut-in oil production was 49,282 b/d and the status of the remaining 16,944 b/d was unknown. The estimated amount of restored natural gas production was 899 MMcf/d, or 54.8 percent of the 1,642 MMcf/d daily gas production capacity. The estimated amount of gas production still shut-in was 543 MMcf/d. The status of the remaining 199 MMcf/d has not been confirmed.

<http://dnr.louisiana.gov/sec/execdiv/pubinfo/daily-onshore-prod.ssi>

See OE's Situation Reports for the information on refineries, gas pipelines, and gas plants affected from hurricanes Gustav and Ike.

http://www.oe.netl.doe.gov/emergency_sit_rpt.aspx

Electricity

Exelon's 1,111 MW La Salle Nuke Unit 2 in Illinois Returns to Full Power by October 9

The unit reduced to 82 percent Wednesday night to repair a turbine control valve.

Reuters, 12:02 October 9, 2008

Information also derived from the NRC Power Reactor Status Reports:

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

OPG's 881 MW Darlington Nuke Unit 4 in Ontario Shut October 9

Reuters, 12:32 October 9, 2008

Delta Energy Center's 861 MW Delta Energy Center Gas-fired Unit in California Shut by October 8

According to the California Independent System Operator, the unit experienced an unplanned curtailment of 331 MW on October 8.

<http://www.caiso.com/unitstatus/data/unitstatus200810081515.html>

Calpine's 593 MW Metcalf Energy Center Gas-fired Unit in California Shut by October 8

According to the California Independent System Operator, the unit experienced an unplanned outage by October 8.
<http://www.caiso.com/unitstatus/data/unitstatus200810081515.html>

OPG's 490 MW Nanticoke 3 Coal-fired Unit in Ontario Shut October 8

Reuters, 18:39 October 8, 2008

TransAlta's 280 MW Sundance 1 Coal-fired Unit in Alberta Shut October 8

Reuters, 18:39 October 8, 2008

AES's 175 MW Alamitos Unit 2 Gas-fired Unit in California Shut by October 8

According to the California Independent System Operator, the unit experienced an unplanned curtailment of 145 MW by October 8.

<http://www.caiso.com/unitstatus/data/unitstatus200810081515.html>

Update: TVA's 1,155 MW Browns Ferry Nuke Unit 2 in Alabama Ramps Up to 30 Percent October 9

The unit was idled October 4 after a power signal problem on the main generator. Repairs were made on voltage equipment in the main generator.

Bloomberg News, 15:34 October 9, 2008

Update: AEP's 528 MW Welsh Coal-fired Unit 3 in Texas to Restart Between October 9 and October 15

The unit was shut to repair a boiler.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=113725>

Update: OPG's 211 MW Atikokan Coal-fired Plant in Ontario Resumes Operation October 8

The power plant was reduced to producing 23 MW.

Bloomberg News, 22:41 October 8, 2008

Phase I of FPL's 101 MW Crystal Lake Wind Farm in Iowa Commences Commercial Operation

<http://biz.yahoo.com/iw/081009/0441428.html>

AES Begins Construction of 186 MW Armenia Mountain Wind Farm in Pennsylvania

<http://biz.yahoo.com/iw/081009/0441424.html>

Windstorm Knocks Out Power to 30,000 B.C. Hydro Power Customers in Vancouver October 7

<http://www.canada.com/nanaimodailynews/news/story.html?id=389606a9-32cf-4fda-8737-60ea3181a84a>

Petroleum

Valero Reports Small Fire at its 130,000 b/d Houston, Texas Refinery October 9, 2008

The gasoline-producing unit was not affected.

<http://www.reuters.com/article/marketsNews/idUSN0928655720081009>

Reuters, 09:51 October 9, 2008

BP to Transport Kazakh Oil Through the 850,000 b/d Baku-Tbilisi-Ceyhan (BTC) Pipeline

BP plans to begin transporting crude from Kazakhstan's Tengiz oil field. BP announced the plans after 60 percent of the crude flow through the BTC has been cut following the shutdown of two platforms in the Caspian Sea after a gas leak.

http://www.ogj.com/display_article/342087/120/ARTCL/none/Trasp/1/BP-to-flow-Kazakh-oil-through-BTC-pipeline/

Occidental to Develop Two Oil and Gas Fields in the United Arab Emirates

The Jam Yaphour field will initially produce 10,000 b/d beginning next year. The Ramhan field is expected to produce 100,000 b/d in 2011.

<http://www.latimes.com/business/la-fi-oxy9-2008oct09.0.1346243.story>

Update: Rockies Express Pipeline Reports 5 Month Delay on 683-Mile Eastern Portion of Project

The delays are due to bad weather conditions and permit issues.

Bloomberg News 15:14 October 9, 2008

Natural Gas

BP Cancels Plans for Proposed LNG Terminal in New Jersey

<http://www.newsday.com/news/local/wire/newjersey/ny-bc-nj--lngproject1008oct08.0.1819186.story>

Millennium Pipeline to Begin Shipping Natural Gas to the U.S. Northeast by December 1

According to a company spokesman, the start-up date is one month later than its initial start-up date.

<http://www.platts.com/Natural%20Gas/News/6975726.xml?p=Natural%20Gas/News&sub=Natural%20Gas>

Update: AES to Continue Expansion of Cove Point LNG Facility in Maryland

After the U.S. Supreme Court refused to hear a challenge to the project, AES can commence their expansion project.

<http://www.redorbit.com/news/business/1581594/us-supreme-court-wont-hear-balto-county-lng-challenge/>

<http://www.reuters.com/article/rbssIndustryMaterialsUtilitiesNews/idUSN0745410020081007>

Other News

Existing and Proposed Biofuels Plants Across United States Face Financial Difficulties

The Great River Soy biodiesel plant in Missouri was forced to shut due to lack of money after producing only 94,000 gallons. This week, another ethanol plant in Kansas declared bankruptcy. Many biofuels plants operating or under construction in New Mexico, Nevada, Illinois, Iowa, Wisconsin, Wyoming, and South Dakota have faced the same fate. Corn and soybean prices have increased, cutting profit margins for biofuels and leaving plants without enough cash to operate.

http://seattlepi.nwsource.com/business/1310ap_biofuels_bust.html

Energy Prices

U.S. Oil and Gas Prices			
October 9, 2008			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	87.04	94.69	80.23
\$/Barrel			
NATURAL GAS			
Henry Hub	6.59	7.41	6.63
\$/Million Btu			

Source: Bloomberg News

Energy Notes

Delaware Public Service Commission Approved Three Delmarva Power Onshore Wind Farms Totaling 170 MW

<http://www.platts.com/Electric%20Power/News/6975741.xml?p=Electric%20Power/News&sub=Electric%20Power>

California Energy Commission Denies License to Proposed 115 MW Eastshore Energy Center Peaker Power Facility October 8

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=11202565

Flaring at Valero's 166,000 b/d Paulsboro, New Jersey Refinery October 9

Bloomberg News, 14:29 October 9, 2008

Flaring at ExxonMobil's 150,000 b/d Torrance, California Refinery October 9

Reuters, 08:38 October 9, 2008

Promoted as Renewable, Wood-Burning Electricity Plants Being Proposed from Massachusetts to New Mexico

<http://www.latimes.com/business/investing/wire/sns-ap-wood-power-plants,1,7070380.story>

Chevron Commences Production of the Tombua-Landana Oil Field in Angola in September, which Will Reach Peak Production of 100,000 in 2010

http://www.rigzone.com/news/article.asp?a_id=67586

Angola Oil Production Temporarily Decreased to 1.959 MMb/d Due Problems on Offshore Oilfields

Reuters, 10:02 October 9, 2008

OPEC to Hold Emergency Meeting in Vienna to Discuss Impact of Global Financial Crisis on Oil Market on November 18

Reuters, 12:15 October 9, 2008

OPEC Exports (Excluding Angola and Ecuador) to Rise 320,000 b/d to October 25 – Analyst

Reuters, 11:32 October 9, 2008

Libya Stops Crude Oil Deliveries to Switzerland on October 8, Three Months After Arrest of Libyan President Ghadafi's Son in Switzerland

<http://www.latimes.com/news/nationworld/world/wire/sns-ap-eu-switzerland-gadhafis-son,1,56691.story>

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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