



ENERGY ASSURANCE DAILY

Wednesday Evening, October 15, 2008

Electricity

Update: Fires Approach Power Lines in California, but CAISO Spokesman Says no Significant Threat to Power Grid October 14

A fire was "a couple of miles" from a 500-kV, Arizona-San Diego, California power line, and another blaze was close to a 230-kV line feeding power to the San Onofre nuclear power plant, a spokesman with the California Independent System Operator (CAISO) said. The spokesman said that there was no "imminent or imminent" hazard to the grid, and that reserve output was available.

Bloomberg News, 14:11 October 14, 2008

Update: Citing Customer Requests, SDG&E Postpones Power-Cutting Fire Plan

Although the National Weather Service has a Red Flag Warning in effect until 10:00 PM tonight PST, San Diego Gas & Electric (SDG&E) postponed a plan that would have allowed it to cut power to certain residents, in certain cases, to prevent fires from spreading. The policy took effect last week, but ongoing fires could have forced SDG&E to implement the plan almost immediately. Customer complaints, however, led the company to postpone the plan.

<http://www.nctimes.com/articles/2008/10/13/news/sandiego/z481bcfe2267c9fd6882574e1006d7053.txt>

<http://www.sdge.com/safety/fireprep/>

Update: FPL's 693 MW Turkey Point Nuke Unit 4 in Florida at Full Power by October 15

FPL idled the unit in early October to perform maintenance on a turbine generator valve, the company said earlier. The Nuclear Regulatory Commission reported that on the morning of October 14 the unit was operating at 2 percent. Reuters, 07:31 October 15, 2008

Information also derived from the NRC Power Reactor Status Reports:

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

Update: Duke Energy's 510 MW Moss Landing Gas-fired Unit 2 in California Returns to Service by October 14

According to the California Independent System Operator, the unit experienced an unplanned outage on October 14.

<http://www.caiso.com/unitstatus/data/unitstatus200810141515.html>

Update: Duke's 222 MW Southbay Gas-fired Unit 4 in California Back by October 14

According to the California Independent System Operator, the unit experienced an unplanned outage on October 14.

<http://www.caiso.com/unitstatus/data/unitstatus200810141515.html>

TransAlta's 280 MW Sundance Coal-fired Unit 1 in Alberta Shut October 15

Reuters, 11:39 October 15, 2008

Update: Estimated 45,397 b/d of Oil Production Remains Shut in Louisiana October 14 after Hurricanes Ike and Gustav

Operators have restored 98,834 b/d of oil output among 17 Louisiana parishes and in-State offshore areas, the Louisiana Department of Natural Resources reported October 14. The restored figure accounted for 61.5 percent of the region's estimated 155,767 b/d capacity (the numbers are in addition to MMS reports of Federal offshore production). An estimated 45,397 b/d, or 29.2 percent of capacity, remained shut. The status of the remaining 14,536 b/d, or 9.3 percent, was unconfirmed.

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

Hovensa Shutting Processing Units at 500,000 b/d Hovensa Refinery on St. Croix, U.S. Virgin Islands as Hurricane Omar Approaches October 15

Hovensa is stalling "essentially all its processing and auxiliary equipments" at St. Croix as Hurricane Omar approaches, a company spokesman said. The company is leaving equipment on that is "necessary to maintain supply of power to the complex," the spokesman said. Omar, which strengthened from a tropical storm to a hurricane yesterday, could grow to a Category 2 hurricane when it reaches the northern U.S. Virgin Islands. The storm is expected to traverse near or over St. Croix this evening. The U.S. Coast Guard shut St. Croix's harbor yesterday, and that harbor was still shut, as of latest reports. The St. Croix refinery delivered 338,000 b/d of refined products to the U.S. mainland in July 2008. Hovensa is a joint-venture of Hess and Venezuela's state-owned company, PdVSA.

Bloomberg News, 10:49 October 15, 2008

Reuters, 12:20 October 15, 2008

Reuters, 12:03 October 15, 2008

Tropical Storm Omar Cuts Power to 200,000 b/d Puerto La Cruz, Venezuela Refinery Refinery Restarts as Storm Strengthens to Hurricane by October 15

PdVSA confirmed that Omar knocked out power to some units at the 200,000 b/d Puerto La Cruz facility, and caused officials to suspend tanker activity at the refinery October 14. The facility had resumed normal operations by today, October 15 a refinery official said. Elsewhere, refinery sources said the storm had halted tanker loadings at the 900,000 b/d Amuay-Cardon refining complex. The 135,000 b/d El Palito refinery was not affected, another source said. PdVSA said Omar "did not affect the supply of products to the domestic or international market."

<http://www.guardian.co.uk/business/feedarticle/7872983>

Reuters, 10:01 October 15, 2008

Marathon Oil Has Problems at 204,000 b/d Robinson, Illinois Refinery October 14—Trade Sources

Marathon Oil was buying significant amounts of gasoline on the spot market, prompting traders to assume problems at the company's 204,000 b/d Robinson, Illinois refinery. A company spokeswoman said she could not talk about the facility's operations.

Reuters, 13:12 October 14, 2008

Valero Reports Power Cable Failure to 55,000 b/d FCC at 171,000 b/d McKee, Texas Refinery October 14

According to a filing with state regulators, the refinery sustained a power cable failure to the gasoline-producing fluid catalytic cracker (FCC) electrostatic precipitator. A company spokesman confirmed the FCC was running "temporarily at slightly reduced rates." He added: "We don't expect a lengthy outage." Workers will replace the faulty cable, the filing said.

Reuters, 10:27 October 15, 2008

DJN, 10:37 October 15, 2008

<http://www.valero.com/AboutUs/Refineries/McKee.htm>

<http://www11.tceq.state.tx.us/occeer/index.cfm?fuseaction=main.getDetails&target=115395>

Update: Oil Shipments to Reach 55 Percent Capacity along BP's 1 Million b/d BTC Pipeline from Azerbaijan

The 1 million b/d Baku-Tbilisi-Ceyhan (BTC) pipeline will deliver an average 548,571 b/d, and a total 19.2 million barrels, from October 18 to November 21, according to revised loading schedules. The totals mark a sharp rise from previously-planned loadings of 380,857 b/d, or a total 13.3 million barrels. BP restarted a large platform at its massive Azeri-Chirag-Gunashli field complex on October 9. Output at the 900,000 b/d complex had been cut to 300,000 b/d in September due to a gas leak.

Bloomberg News, 12:06 October 15, 2008

Iran Proposes Large Caspian Sea-Persian Gulf Crude Pipeline

Iranian's Foreign Minister said such a pipeline would be both safe and valuable. He did not specify any throughput capacity, payment plan, or construction timeframe.

<http://www.iranmania.com/News/ArticleView/Default.asp?NewsCode=62313&NewsKind=Current%20Affairs>

Update: Nigerian Oil Production at 2.3 Million b/d, State Oil Company Says

Nigerian oil production reached 2.3 million b/d in October, and is slowly approaching pre-2006 totals, Nigeria's state oil company said October 15. A news source did not clarify whether Nigeria's foreign minister, who said Monday that the nation was producing just 1.5 million b/d, was mistaken. Nigeria's oil minister said last week that Nigeria was on track to boost production capacity to 4 million b/d by 2010.

Reuters, 18:51 October 13, 2008

<http://www.platts.com/Oil/News/8099859.xml?p=Oil/News&sub=Oil>

VAALCO Energy Plans Drilling at Multiple Oilfields in Gabon

The company said its three wells in the Etame block have combined gross reserve potential additions in excess of 60 million barrels. It estimated potential reserves in its Mutamba block wells in excess of 30 million barrels. Its zones in the Angola Block carry a 150 million barrel potential.

PRN, 11:00 October 15, 2008

Natural Gas

Update: Estimated 526 MMcf/d of Natural Gas Production Remains Shut in Louisiana October 14 after Hurricanes Ike and Gustav

Operators have restored 942 MMcf/d of natural gas output among 17 Louisiana parishes and in-State offshore areas, the Louisiana Department of Natural Resources reported October 14. The restored figure accounted for 57.4 percent of the region's estimated 1,642 MMcf/d capacity (the numbers are in addition to MMS reports of Federal offshore production). An estimated 526 MMcf/d, or 32.0 percent of capacity, remained shut. The status of the remaining 173 MMcf/d, or 10.6 percent, was unconfirmed.

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

Bomb Explodes Along Encana's 12-inch Sour Gas Pipeline in British Columbia, Canada Over Weekend

A bomb exploded and damaged—but did not rupture—Encana's 12-inch sour gas pipeline in British Columbia. The line delivers sour gas to the Steep Rock gas plant, but the incident did trigger any leaks. The explosion likely occurred overnight October 11-12, creating a six-foot crater in the ground. Media outlets received a letter October 10 instructing oil and gas companies to leave the town, and a hunter discovered the bombed site on October 12. Officials are investigating the incident.

<http://www.canada.com/topics/news/story.html?id=ee591094-e277-4bf2-93e2-64a30edf7109>

Bloomberg News, 00:03 October 15, 2008

Gulf LNG Energy to Break Ground on Proposed 1.3 Bcf/d LNG Terminal in Mississippi October 15

The facility will include 6.6 billion cubic feet of storage tanks, and five miles of pipeline linking the terminal to the Gulfstream, Destin, Floa., Gas Transmission and Transco pipelines. It will accommodate 150 tankers per year, and is expected to open in 2012.

<http://www.energycurrent.com/index.php?id=3&storyid=13720>

<http://www.sunherald.com/business/story/881377.html>

Other News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices			
October 15, 2008			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	75.25	87.17	86.19
NATURAL GAS Henry Hub \$/Million Btu	6.74	6.75	7.09

Source: Reuters

Energy Notes

Fire Near Basin Electric Power Cooperative's 656 MW Leland Olds Coal-fired Power Plant in North Dakota October 14—No Affect to Facility Output

Bloomberg News, 03:47 October 15, 2008

Babcock & Brown, Heartland Consumers Power District Announces 51 MW Wessington Springs Wind Farm in South Dakota is Open October 15

http://www.prnewswire.com/cgi-bin/stories.pl?ACCT=ind_focus.story&STORY=/www/story/10-15-2008/0004904454&EDATE=WED+Oct+15+2008,+09:00+AM

Dedication Planned for 34.5 MW Casselman Wind Power Project in Pennsylvania October 16

<http://www.marketwatch.com/news/story/iberdrola-renewables-conducts-industry-first-bat/story.aspx?guid=%7BC1B4B7A0-4A9A-4A1A-A18D-83177CEEA7AE%7D&dist=hppr>

PRN, 12:02 October 15, 2008

Portland General Electric and Partners Plan 1.1 MW Solar Power Project in Oregon—Largest Solar Project in Pacific Northwest to Begin Producing by December

http://www.portlandgeneral.com/about_pge/news/10_14_2008_pge_rolls_out_largest_solar_p.asp?bhcp=1

Citgo Contractor Dies at Kentucky Terminal October 14—Third Worker Death of Parent Company PdVSA This Week

Bloomberg News, 09:56 October 15, 2008

U.S. Fuel Demand Dips to 10-Year Low, or 21.49 million b/d, in Third Quarter, 2008 on High Prices and Lagging Economy—API

Bloomberg News, 10:00 October 15, 2008

AGI Cooler Motor Malfunction at Tilden Gas Plant in Texas October 15

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=115384>

Weather Causes Power Disruption, Shuts Acid Gas Compressor and Centaur 1 at Waha Gas Plant in Texas October 14

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=115373>

Unplanned Shutdown at Fairway Gas Plant in Texas October 14—Filing Says Incident Caused by Unscheduled Work Downstream

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=115383>

Low Jacket Water Pressure Shuts Compressors at Waddell Compressor Station in Texas October 14

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=115381>

Crucial Underwater Pipelines in Iraq Need Fixing or Replacing

<http://www.guardian.co.uk/business/feedarticle/7875106>

OPEC Slashes World Crude Demand Forecast for 2009 by 190,000 b/d, to a Total 31.14 Million b/d—Figure Marks an 870,000 b/d Dip from Estimated 2008 Demand

http://www.rigzone.com/news/article.asp?a_id=67861

TNK-PO Announces First Crude Deliveries from Verkhnechonskoye Field in Siberia October 15—Field to Reach 18,750 b/d Production in 2008, Average More than 20,000 b/d in 2009

<http://www.tnk-bp.com/press/releases/2008/10/96/>

Angolan Crude Production Slips from 2 Million b/d Earlier This Year to 1.6-1.7 million b/d—Oil Minister Cites “Accident” at Offshore Field in August

<http://africa.reuters.com/business/news/usnJOE49E0EZ.html>

Reuters, 10:27 October 15, 2008

Turkmenistan Says Iolotan-Osman Field Holds Between 4-to-14 Trillion Cubic Meters of Natural Gas

Reuters, 06:30 October 14, 2008

Citing Planned Privatization of Some NNPC Business Segments, Union Members of Nigeria’s State Oil Company Threaten to Strike on October 23

Reuters, 12:16 October 15, 2008

Shell Appeals Nigerian Court’s Ruling Over Land Rights to Bonny Crude Export Terminal

Reuters, 11:29 October 15, 2008

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/ead.aspx>

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