



ENERGY ASSURANCE DAILY

Thursday Evening, October 16, 2008

Electricity

PSE&G's 1,092 MW Salem Nuke Unit 2 in New Jersey Reduced to 65 Percent by October 16

The Nuclear Regulatory Commission reported that on the morning of October 15 the unit was operating at 94 percent. According to a company spokesman, the unit was reduced for transmission line work.

Reuters, 10:32 October 16, 2008

Information also derived from the NRC Power Reactor Status Reports:

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

AEP's 528 MW Welsh Coal-fired Unit 3 in Texas Shut October 16

Reuters, 8:53 October 16, 2008

AES's 496 MW Redondo Gas-fired Unit 8 in California Shut by October 15

According to the California Independent System Operator, the unit experienced an unplanned curtailment of 146 MW by October 15.

<http://www.caiso.com/unitstatus/data/unitstatus200810151515.html>

Ace Cogeneration's 118 MW Ace Cogeneration Coal-fired Unit in California Shut by October 15

According to the California Independent System Operator, the unit experienced an unplanned outage by October 15.

<http://www.caiso.com/unitstatus/data/unitstatus200810151515.html>

Update: AEP's 675 Pirkey Coal-fired Unit 1 in Texas Restarts October 16

The unit was shut for electrical repairs.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=115472>

FERC Maintains Authority over Power Projects Located on Outer Continental Shelf, Not Department of Interior

<http://www.platts.com/Electric%20Power/News/6984360.xml?p=Electric%20Power/News&sub=Electric%20Power>

Petroleum

Update: Hovensa Restarting Units at its 500,000 b/d St. Croix, U.S. Virgin Islands Refinery after Hurricane Omar October 16

Hovensa is restoring staffing and refinery output, but the refinery's port remains closed by the U.S. Coast Guard. National Guard officials said St. Croix is currently without power, and St. Thomas and St. John have no power on their north side.

<http://www.ngb.army.mil/news/archives/2008/10/101608-Omar.aspx>

Bloomberg News, 15:46 October 16, 2008

BP's 460,000 b/d Texas City, Texas Refinery, Reports Loss of Power from its Supplier, South Houston Green Power which had a Generator Malfunction October 16

Bloomberg News, 12:02 October 16, 2008

Update: Offshore Crude Production Updates in Gulf of Mexico after Hurricanes Gustav and Ike – MMS October 16

According to the Minerals Management Service (MMS) an estimated 511,977 b/d of oil production remained shut in the Gulf of Mexico October 16. That total accounts for 39.4 percent of oil production in the region. Based on data from offshore operator reports submitted as of 11:30 CDT October 16, personnel remains evacuated from a total of 77 production platforms, equivalent to 11.1 percent of the 694 manned platforms in the Gulf of Mexico.

<http://www.mms.gov/ooc/press/2008/press1016.htm>

Update: Estimated 46,221 b/d of Oil Production Remains Shut in Louisiana October 15 after Hurricanes Ike and Gustav

Operators have restored 97,543 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 62.6 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 46,221 b/d, or 29.7 percent of capacity, remained shut. The status of the remaining 12,004 b/d, or 7.7 percent, was unconfirmed.

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

Communication Failure at Buckeye's Pipelines around Toledo, Ohio October 15 – Shippers

Buckeye Pipeline policy prohibits pipeline operation with a downed leak-detection system, which was shut due to the communication failure. Buckeye expects to resolve the situation by Thursday morning

Reuters, 10:12 October 16, 2008

Shell Details Status of its Gulf Coast Crude Pipelines

Most Now Operating Normally after Hurricanes Gustav and Ike

http://www.shell.us/home/content/usa/aboutshell/media_center/hurricane_center/storm_updates/2008/ike/ike_59_10_1508.html

ExxonMobil Resumes Crude Runs at its 348,500 b/d Beaumont, Texas Refinery October 16

The refinery was shut in anticipation of Hurricane Ike. Repairs on some units are ongoing.

Dow Jones News, 10:22 October 16, 2008

Most Units at Valero's 295,000 b/d Port Arthur, Texas Refinery at Planned Rates

The 80,000 b/d fluid catalytic cracker is still running at reduced rates. The refinery was shut in anticipation of Hurricane Ike.

Reuters, 10:54 October 16, 2008

SRU at Total's 174,000 b/d Port Arthur, Texas Refinery Shut October 15

The unit shut due to an equipment failure.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=115474>

Process Upset at ConocoPhillips's 146,000 b/d Borger, Texas Refinery October 15

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=115471>

Tesoro Restarting Coker and Hydrotreater at its 97,000 b/d Wilmington, California Refinery October 16

According to a company spokesperson, the units were shut for unplanned maintenance.

Bloomberg News, 13:06 October 16, 2008

Refiners May Cut Back on Expansion Project due to Decreasing Demand – JPMorgan

Bloomberg News, 22:06 October 15, 2008

Tanker Loadings Resume at Venezuela's 940,000 b/d Amuay-Cardon Refinery October 16

Strong storm waves halted tanker loadings to the refinery for two days.

Reuters, 12:06 October 16, 2008

Natural Gas

Update: Second Bomb Explodes along Encana's Gas Pipeline in British Columbia, Canada October 16

The bomb exploded under the pipeline, damaging but not rupturing the pipeline close to the Alberta border. Workers discovered the blast site around 9:00 AM local time. This marks a second attempt to damage the pipeline, the first on October 11 on an Encana pipeline transporting sour gas. Police indicates that the two incidents may be related.

<http://www.canada.com/edmontonjournal/news/story.html?id=5d5dc509-96e9-48b7-b943-253343bb9ecc>

Petsec Energy Restores 27 MMcf/d Gas Production in Gulf of Mexico as of October 11

The fields were shut due to Hurricane Gustav and Ike.

http://www.rigzone.com/news/article.asp?a_id=67815

Update: Restoration to Offshore Natural Gas Production in Gulf of Mexico Continues Following Hurricanes Gustav and Ike October 16 – MMS

According to Minerals Management Service (MMS), an estimated 2,705 MMcf/d of natural gas output remained shut in the Gulf of Mexico. That total accounts for about 36.6 percent of the Federal offshore gas production in the Gulf.

<http://www.mms.gov/ooc/press/2008/press1016.htm>

Update: Estimated 527 MMcf/d of Natural Gas Production Remains Shut in Louisiana October 15 after Hurricanes Ike and Gustav

Operators have restored 956 MMcf/d of natural gas output among 17 Louisiana parishes and in-State offshore areas, the Louisiana Department of Natural Resources reported October 15. The restored figure accounted for 58.3 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 527 MMcf/d, or 32.1 percent of capacity, remained shut. The status of the remaining 158 MMcf/d, or 9.6 percent, was unconfirmed.

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

Equipment Failure at 125 MMcf/d Coyanosa Gas Plant in Texas October 15

Gas was flared in the sulfur recovery unit during the repair of a hole in the boiler. The hole was created by corrosion.

<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=115434>

Other News

Update: KinderMorgan Reports Successful Testing of Transport of Ethanol through Gasoline Pipeline in Florida

KinderMorgan has safely delivered ethanol through an existing gasoline pipeline after upgrading the pipeline. There have been fears that ethanol in pipelines may absorb debris, rust and water, damaging pipelines or tainting petroleum fuels in the same line. KinderMorgan has spent 18 months testing on the tests and will continue to perform similar tests on biodiesel fuel blends.

<http://www.chron.com/disp/story.mpl/headline/biz/6061003.html>

Energy Prices

U.S. Oil and Gas Prices October 16, 2008			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	70.60	87.04	87.58
NATURAL GAS Henry Hub \$/Million Btu	6.64	6.59	7.29

Source: Reuters

Energy Notes

Hydrodec Begins Operation of 8 MMgal/year Transformer Oil Refinery in Canton, Ohio
<http://www.eponline.com/articles/68462/>

Shell Current Production from Gulf of Mexico Up to 325,000 boe/d; Shell to Restore Peak Production Rates from Gulf of Mexico of 500,000 boe/d
http://www.rigzone.com/news/article.asp?a_id=67910

OPEC Crude Exports (Excluding Angola and Ecuador) to Decrease 390,000 b/d to 24.32 MMb/d Week of November 1 – Analyst
Reuters, 11:30 October 16, 2008

Angola to Increase Crude Exports 8.8 Percent in December to Almost 2 MMb/d
Bloomberg News, 12:31 October 16, 2008

Sociedade Nacional de Combustiveis de Angola (Sonangol) and BP Announce Dione Oil Discovery Offshore Angola, Well Tests Confirms 5,000 b/d Flow under Production Conditions
http://www.rigzone.com/news/article.asp?a_id=67864

Exports From Iraq's Basra Oil Port at Low Rate of 1.32 MMb/d Since October 14 – Oil and Shipping Source due to Power Generation Shortage
Reuters, 10:38 October 16, 2008

Petroecuador's Average Crude Production is 173,906 b/d, Up from 165,480 b/d in June Petroecuador to Meet 175,000 b/d Production Goal by End of Year
http://www.rigzone.com/news/article.asp?a_id=67863

Deliveries from BP's Verkhnechonskoye Field (VC) to East Siberia-Pacific Ocean Pipeline (ESPO) Commences on October 15; Production from VC to Reach 2,500 Tons per Day in 2008 and 1 Million Tons per Day in 2009
http://www.rigzone.com/news/article.asp?a_id=67865

Nigerian Military Protecting Shell's Bonny Island LNG Export Terminal in Nigeria Attacked by Gunmen October 15
<http://africa.reuters.com/top/news/usnJOE49F000.html>

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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