



ENERGY ASSURANCE DAILY

Thursday Evening, October 30, 2008

Electricity

Update: Over 14,000 Customers Remain Without Power in Pennsylvania, New Jersey, and New York

A fast moving storm brought snow and wind October 28 knocking out power to about 246,658 customers in Pennsylvania, New Jersey, and New York. About 14,649 customers remain without power. For more specific outage figures, see table below:

| Northeast Customer Power Outages | | | |
|----------------------------------|-------|----------------|-----------------|
| October 28-30 | | | |
| Electric Utility | State | Peak | Latest Reported |
| PPL | PA | 82,000 | 3,837 |
| Northwestern Rural Elec. Coop. | PA | 3,500 | 1,100 |
| Pennsylvania Electric | PA | 937 | 0 |
| Jersey Central Power & Light | NJ | 80,000 | 7,000 |
| Atlantic City Electric | NJ | 11,521 | 9 |
| National Grid | NY | 25,000 | 403 |
| Orange and Rockland | NY | 17,700 | 0 |
| Central Hudson Gas & Electric | NY | 13,000 | 2,000 |
| NYSEG | NY | 13,000 | 300 |
| TOTAL* | | 246,658 | 14,649 |

*Total outages only represent electric utilities listed in this table.

Sources:

<http://www.wcax.com/Global/story.asp?S=6505750&nav=4QcSXFNx>

http://www.dailyfreeman.com/site/news.cfm?newsid=20182359&BRD=1769&PAG=461&dept_id=72585&rfti=6

<http://www.recordonline.com/apps/pbcs.dll/article?AID=/20081030/NEWS/81030024>

<http://www.recordonline.com/apps/pbcs.dll/article?AID=/20081030/NEWS/810300323>

<http://www.newsday.com/news/local/wire/newjersey/ny-bc-nj--wetampwindy1030oct30.0.830324.story>

<http://www.njherald.com/story/news/30POWER-web2008-10-29T20-37-30>

http://www.meadvilletribune.com/local/local_story_303231621.html

National Grid: <https://www1.nationalgridus.com/niagaramohawk/storm/OutagesByCounty.aspx>

PPL: <http://www.pplelectric.com/Outage+Center>

Entergy Reports Fire in Outbuilding near 680 MW Pilgrim Nuke Unit 1 in Massachusetts October 29

The unit was unaffected by the fire.

Bloomberg News, 14:28 October 30, 2008

Dominion's 910 MW North Anna Nuke Unit 2 in Virginia Shut October 29

The unit was shut due to a transmission failure. The unit was in the processing of restarting after a refueling and maintenance outage.

Bloomberg News, 12:54 October 30, 2008

Reuters, 18:51 October 29, 2008

LCRA's 460 MW Fayette Coal-fired Unit 3 in Texas Shut October 29

The unit was shut for 8 hours to repair an equipment failure.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=115833>

Storms Knock Out Power to 67,000 Customers in New Brunswick, Ontario and Quebec October 28-29

Heavy rain and wind knocked out power lines and 10,000 NB Power customers in New Brunswick. Hydro One reported 22,000 customers were without power in Eastern Ontario, Hydro Quebec reported 30,000 customers without power in Outaouais, and Hydro Ottawa reported 5,000 customers were without power at the height of the storm.

<http://www.amherstdaily.com/index.cfm?sid=184919&sc=508>

<http://www.canada.com/ottawacitizen/news/city/story.html?id=13d3d440-237c-404d-9aa5-da9cfd2789d>

Update: EPCOR's Alberta 450 MW Genesse Coal-fired Unit 3 in Alberta to Return to Service end of November

The unit was shut October 10 due to a turbine blade failure.

Reuters 09:52 October 30, 2008

OPG's 490 MW Nanticoke Coal-fired Unit 7 in Ontario Shut October 29

Reuters, 18:51 October 29, 2008

Petroleum

Marathon to Develop 29 MMboe of Droszky and Ozona Discoveries in Gulf of Mexico

Marathon expects a net peak production of 45,000 b/d of crude and 43 MMcf/d of natural gas in the Droszky discovery, after royalties. The company expects to begin production of the Ozona discovery in 2011, with a net peak production rate of 6,000 b/d of crude and 13 MMcf/d of natural gas, after royalties.

http://www.prnewswire.com/cgi-bin/stories.pl?ACCT=ind_focus.story&STORY=/www/story/10-30-2008/0004914897&EDATE=THU+Oct+30+2008,+08:06+AM

Update: Offshore Oil Output Continues to Climb in Gulf of Mexico after Hurricanes Gustav and Ike, MMS Reports October 30

An estimated 359,750 b/d of oil production remained shut in the Gulf of Mexico October 30, according to the Minerals Management Service (MMS). That total accounts for about 27.7 percent of the region's output. Based on data from offshore operator reports, submitted as of 11:30 a.m. CDT October 30, personnel remained evacuated from a total of 71 production platforms, or 10.2 percent of the 694 manned platforms in the Gulf of Mexico. Offshore oil and gas operators continued to reboard platforms and restore production.

<http://www.mms.gov/ooc/press/2008/press1030.htm>

Update: Louisiana Crude Production Restorations after Hurricanes Gustav and Ike October 27

Louisiana Department of Natural Resources reports 98,703 b/d of crude production is restored, which is equivalent to 63.4 percent of daily oil production in the region of 155,767 b/d. About 45,061 b/d of crude production remains shut, which is equivalent to 28.9 percent of daily oil production, and 12,004 b/d of production capacity has not yet been confirmed.

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

Shell Postpones Decision of 100,000 b/d Athabasca Oil Sands Expansion Project in Alberta October 30

Shell is delaying any decisions to boost production at its 155,000 b/d oil sands project in Athabasca, Alberta due to concerns over rising costs.

<http://www.platts.com/Oil/News/8136817.xml?p=Oil/News&sub=Oil>

Update: Pasadena Refining to Restart FCCU at its 100,000 b/d Pasadena, Texas Refinery October 30

The unit was shut for unplanned work.

Reuters, 10:35 October 30, 2008

Natural Gas

See Marathon Oil Story in Petroleum Section

Compressors Shut at Hess's 210 MMcf/d Seminole Gas Processing Plant in Texas October 29

The cause of the shutdowns remains unknown.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=115959>

Update: Restoration to Offshore Natural Gas Production in Gulf of Mexico Continues Following Hurricanes Gustav and Ike, MMS Reports October 30

An estimated 2,439 MMcf/d of natural gas output remained shut in the Gulf of Mexico October 30, according to the Minerals Management Service (MMS). That total accounts for about 33.0 percent of the Federal offshore gas production in the Gulf. Offshore oil and gas operators continued to reboard platforms and restore production.

<http://www.mms.gov/ooc/press/2008/press1030.htm>

Update: Louisiana Natural Gas Production Restorations after Hurricanes Gustav and Ike October 27

Louisiana Department of Natural Resources reports 962 MMcf/d of gas production is restored, which is equivalent to 58.4 percent of daily gas production in the region of 1,642 MMcf/d. About 552 MMcf/d of gas production remains shut, which is equivalent to 31.8 percent of daily gas production, and 158 MMcf/d of production capacity has not yet been confirmed.

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

Dominion Transmission Awaiting FERC Authorization to Commence New Pipeline Facilities in Pennsylvania on November 14

The new pipelines are associated with the expansion of the Dominion Cove Point LNG import terminal offshore Maryland.

NGI's Daily Gas Price Index October 29, 2008, <http://intelligencepress.com/>

Downeast Pipeline to Hold Open Season for Natural Gas Capacity on Downeast Pipeline LNG Project in Maine

<http://www.energycurrent.com/index.php?id=3&storyid=14009>

Other News

Arch Coal to Cut Operations at its Black Thunder Coal Mine in Wyoming

According to a company spokesman, the return on investments in the Power River Basin is not sufficient at current production levels.

http://biz.yahoo.com/ap/081030/wy_arch_coal_prb.html

Energy Prices

| U.S. Oil and Gas Prices | | | |
|--|-------|----------|----------|
| October 30, 2008 | | | |
| | Today | Week Ago | Year Ago |
| CRUDE OIL West Texas Intermediate U.S. \$/Barrel | 64.48 | 67.23 | 90.33 |
| NATURAL GAS Henry Hub \$/Million Btu | 6.58 | 6.94 | 6.99 |

Source: Reuters

Energy Notes

Turbulence from Airplane Causes Conductors to Rub Together Causing Transformers near Palm Springs International Airport in Florida to Explode October 29

<http://www.ksq.com/Global/story.asp?S=9261215&nav=9qrx>

Oil Well Explodes in Southern Illinois October 29, Fire Was Under Control by Afternoon

http://www.usatoday.com/news/nation/2008-10-29-illinois_N.htm

Bonneville Power Administration Considers New 500 kV Transmission Line in Oregon

<http://www.tri-cityherald.com/915/story/365572.html>

Progress Energy to Show Proposed 230 kV Transmission Line Route in Florida at Open House Sessions

<http://suncoastpasco.tbo.com/content/2008/oct/28/progress-energy-unveil-power-line-project-sessions/>

Equipment Failure Reported at Tilden Gas Plant in Tilden, Texas October 29

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=115965>

Unit Malfunction Causes Flaring at Tesoro's 100,000 b/d Wilmington, California Refinery October 30

Reuters, 08:30 October 30, 2008

Entergy's Plans to Spin Off Five Nuke Plants Under New Company on Hold due to Financial Status in the U.S.

<http://www.burlingtonfreepress.com/apps/pbcs.dll/article?AID=200881029008>

Flint Hills 220,000 b/d North Pole, Alaska Refinery Set Safety Record for 730 Consecutive Days Without a Recordable Incident, Previous Record set by Flint Hill's 288,000 b/d Corpus Christi, Texas Refinery at 712 Days

http://www.downstreamtoday.com/News/Articles/200810/Flint_Hills_Refinery_Sets_Safety_Record_13522.aspx

Ten Wind Turbines Removed from White Oak Wind Farm Plan in Connecticut – Only 90 to be Built Now

http://topics.energycentral.com/centers/wind/news/detail_en.cfm?enid=11338254

San Diego Gas & Electric Reconsiders Plan to Shut Power in Parts of Service Area to Prevent Wildfires in California

http://www.signonsandiego.com/uniontrib/20081029/news_1n29power.html

Tesoro Expects Fourth Quarter Refinery Production Between 555,000-615,000 b/d Tesoro's Seven Refineries Has Combined Capacity of 660,000 b/d

Reuters, 08:24 October 30, 2008

Nigeria to Reduce Crude Exports by 113,000 b/d or 5 Percent to Meet OPEC's Production Cuts, Cuts to Reduce December Exports to 53.5 MMb/d or 1.72 MMb/d

<http://www.platts.com/Oil/News/8136795.xml?p=Oil/News&sub=Oil>

Iraq's Crude Output to Increase 200,000 b/d in 2009 – Oil Minister Hussain al-Shahristani

Reuters, 08:03 October 30, 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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