



# ENERGY ASSURANCE DAILY

Friday Evening, November 21, 2008

## **Electricity**

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### **Luminant's 793 MW Monticello Coal-fired Unit 3 in Texas Shuts November 20**

A controller error triggered a main turbine trip, which in turn caused the unit to shut. Operators restarted the unit yesterday evening.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=116926>

### **Update: Energy Northwest's 1,107 MW Columbia Generating Station Nuke Unit in Washington Ramped Up to 65 Percent by November 21**

The company took the unit offline by November 15 to repair steam line valves. The Nuclear Regulatory Commission reported that on the morning of November 20 the unit was operating at 9 percent.

Reuters, 07:29 November 21, 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: Southern's 830 MW Farley Nuke Unit 1 in Alabama Ramped Up to 69 Percent by November 21**

The unit shut automatically after a low voltage indication in the switchyard. The Nuclear Regulatory Commission reported that on the morning of November 20 the unit was not operating.

Reuters, 07:21 November 21, 2008

Information also derived from the NRC Power Reactor Status Reports:

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

### **Calpine's 135 MW Gilroy Gas-fired Unit in California Returns to Service by November 20**

According to the California Independent System Operator, the unit returned from an unplanned outage.

<http://www.caiso.com/unitstatus/data/unitstatus200811201515.html>

### **Bruce Power's 750 MW Bruce Nuke Unit 4 in Ontario Offline by November 21**

Reuters, 09:23 November 21, 2008

### **OPG's 515 MW Pickering Nuke-fired Unit 1 in Ontario Shut November 21**

Reuters, 10:06 November 21, 2008

### **Electricity Demand Dropping, Utility Data Shows**

As a number of utilities report drops in quarterly electricity demand, some executives are concerned that the trend is not merely reflective of economic conditions, but of a more general shift in the power industry. If that is the case, according to one AEP official, companies should "be cautious about what you build because you may not have the demand." Among the companies reporting drops in sales for the period August through September were: Xcel Energy reported a 3 percent decline in home-energy use; Xcel operates in Colorado and Minnesota. Duke Energy, similarly, reported a 5.9 percent slide in Midwest electricity sales. That included a 9 percent drop from residential customers. American Electric Power's customers consumed 3.3 percent less electricity—7.2 percent less among residential customers—in its 11-state service territory.

<http://online.wsj.com/article/SB122722654497346099.html>

### **Fire Shuts Delek's 60,000 b/d Tyler, Texas Refinery November 20-21**

An explosion and fire killed one, injured at least five others, and forced shut Delek's 60,000 b/d Tyler, Texas refinery November 20-21. The fire occurred yesterday afternoon, around 1:35 PM local time. It began in a sat gas unit, burned one control room and damaged another. Sources said the control room burns could set back the refinery's return to normal rates. The company did not know what caused the fire, or how much damage it had caused.

<http://money.cnn.com/news/newsfeeds/articles/apwire/7d2938f0d733399ec0d49b80f57d5488.htm>

<http://www.chron.com/dispatch/story.mpl/business/energy/6124347.html>

<http://phx.corporate-ir.net/phoenix.zhtml?c=196835&p=irol-newsArticle&ID=1229170&highlight=>

<http://phx.corporate-ir.net/phoenix.zhtml?c=196835&p=irol-newsArticle&ID=1229001&highlight=>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=116945>

Reuters, 19:30 November 20, 2008

Bloomberg News, 12:48 November 21, 2008

### **After Power Snag, Rates Return to Normal at ExxonMobil's 348,500 b/d Beaumont, Texas Refinery by November 21**

A power disruption to the steam solenoid caused "minimal unit feed rate reduction," a spokeswoman said. Operators restored the affected output, she said. In a filing with state regulators, the company said it cut feed rates on November 20 "to minimize emissions."

Reuters, 12:12 November 21, 2008

Reuters, 10:33 November 21, 2008

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=116923>

### **Compressor Trip at Sunoco's 178,000 b/d Marcus Hook, Pennsylvania Refinery November 20**

The compressor tripped for unknown reasons, which caused flaring, a Sunoco spokesman said. The company said the incident did not impact production. Marcus Hook is located mostly in Pennsylvania, but part of the facility is in Delaware.

Reuters, 10:49 November 21, 2008

Bloomberg News, 11:44 November 21, 2008

### **Tesoro Reports Crude Unit Upset at 97,000 b/d Wilmington, California Refinery November 21**

A Tesoro official said the company was restarting throughput at the crude distillation unit, but did not expect the incident to affect production. In a filing with state regulators, the company said that "a process upset in the crude unit" triggered flaring on November 21.

Reuters, 11:43 November 21, 2008

Reuters, 12:20 November 21, 2008

Bloomberg News, 12:20 November 21, 2008

### **Alon Slows FCC at 67,000 b/d Big Spring, Texas Refinery**

"Acid gas swings" from a fuel-gas treater caused a slowdown at the fluid catalytic cracker (FCC), the company said in a filing with state regulators. The incident was associated with an emissions event yesterday, November 20.

Reuters, 12:22 November 21, 2008

Bloomberg News, 14:03 November 21, 2008

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=116936>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=116937>

### **Venezuela, Vietnam to Produce 200,000 b/d of Oil from Venezuela's Orinoco Reserves—First Output Expected in 2011**

Venezuela and Vietnam's state oil companies agreed to jointly produce 200,000 b/d, Venezuela's oil minister said. The nations plan to begin work in December, and establish first output in 2011. The project will be located in the Junin II block of the Orinoco reserves.

Reuters, 20:39 November 20, 2008

### **Fort Hills Energy Delays Fort Hills Oil Sands Project in Alberta**

Citing economic conditions and project costs, Fort Hills Energy postponed its Fort Hills Oil Sands project in Alberta. The project was slated to include an integrated oil sands mine and bitumen extraction plant, and an upgrader. Fort Hills is a joint venture of Petro-Canada, Teck Cominco and UTS Energy. The companies will decide next year whether to reduce the size of the project.  
RLPC, 12:35 November 21, 2008

### **Firefighters Extinguish Fire near Large Liquid Propane Storage Farm in Florida November 19**

The fire occurred in an office building, within the confines of a large propane tank farm. The yard-in-question, owned by Targa Resources Inc., holds fifty-eight 30,000 gallon liquid propane tanks. Firefighters extinguished the blaze within twenty minutes.  
<http://www.sun-sentinel.com/business/custom/consumer/sfl-fl8bdigest11204sbnov20.0.5942247.story>

### **Petrobras Locates Between 1.5 and 2 Billion Boe of Recoverable Reserves**

Petrobras found the mostly-light oil in pre-salt reservoirs underneath multiple offshore Brazilian oilfields.  
[http://www.rigzone.com/news/article.asp?a\\_id=69847](http://www.rigzone.com/news/article.asp?a_id=69847)  
<http://www.platts.com/Oil/News/8189527.xml?p=Oil/News&sub=Oil>

### **Mexican Oil Exports Slide as Imports Rise in First 10 Months of 2008—Pemex**

Mexican oil exports averaged 1.402 million b/d in the first 10 months of 2008, marking a 17 percent drop from the same period in 2008, state oil company Pemex said. Imports, meanwhile, averaged 341,900 b/d, amounting to a 14.5 percent increase.  
Reuters, 12:22 November 21, 2008

## ***Natural Gas***

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### **Natural Gas Compressor Station Explodes in Texas November 15**

A Crosstex Pipeline natural gas compressor station exploded late November 15. The resulting fire, which lasted for several hours, forced shut an associated 24-inch pipeline and destroyed a nearby Chesapeake Energy compressor station. The exploded facility operates as an entry point to an EOG Resources location. The cause of the incident was unknown, as of latest report.  
[http://www.cleburnetimesreview.com/johnsoncounty/local\\_story\\_323145015.html?keyword=topstory](http://www.cleburnetimesreview.com/johnsoncounty/local_story_323145015.html?keyword=topstory)

### **Range Resources to Expand Marcellus Shale Natural Gas Production from 30 MMcfe/d to 80-100 MMcfe/d**

The company expects to bring online a cryogenic plant by the end of first quarter 2009, and increase its gas processing capacity to 60 MMcf/d. It plans to boost that total to 180 MMcf/d by the end of 2009 or early in 2010. As it raises gas processing capacity, Range also plans to expand production capacity. By year-end 2009, it expects output to total 80 to 100 MMcfe/d. The company's current net sales from seven Marcellus Shale wells is 30 MMcfe/d.  
<http://www.b2i.us/profiles/investor/ResLibraryView.asp?BzID=790&ResLibraryID=27570&Category=1261>

### **EOG Resources Plans 12-inch, 75-miles Natural Gas Pipeline in North Dakota**

The line would stretch 75 miles, and connect to the Alliance pipeline. Pecan Pipeline, tasked with handling the project, hopes to break ground in April 2009, and finish work in July 2009. The company has informed the Public Service Commission (PSC) of its plans, but there is debate as to whether the PSC has jurisdiction. The associated Alliance pipeline stretches from western Canada to Illinois.  
[http://pro.energycentral.com/professional/news/gas/news\\_article.cfm?id=11511257](http://pro.energycentral.com/professional/news/gas/news_article.cfm?id=11511257)

## Other News

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### **VeraSun's 110 Million Gallon/Year Dyersville, Iowa Ethanol Plant not Receiving Corn—ICGA**

VeraSun notified the Ryan Coop in Iowa that it would not buy or receive corn until further notice, according to the president of the Iowa Corn Growers Association (ICGA). VeraSun declared bankruptcy in October due to rising costs and economic conditions. Separately, VeraSun asked a U.S. Bankruptcy Court for permission to refuse corn contracts, associated with two planned Minnesota ethanol plants. Those facilities were slated to open in the fall of 2008, but will not be online at least through this year.

Reuters, 11:04 November 21, 2008

DJN, 12:23 November 21, 2008

### **Discretionary Blending of Ethanol Stalls as Spot Prices Widely Exceed Those of Gasoline**

Discretionary blending of ethanol into conventional gasoline has come to a “screeching halt,” market sources said, as ethanol spot prices far outpace the cost of gasoline. Blenders receive a 51 cent federal tax credit for every gallon of ethanol they mix with gasoline. If ethanol prices exceed those of gasoline by more than 51 cents per gallon, the economic justification for blending is lost. On Wednesday, ethanol's New York spot price was about \$1.80/gallon, while conventional barge gasoline was about \$1.14/gallon.

<http://www.platts.com/Oil/News/6023135.xml?p=Oil/News&sub=Oil>

## Energy Prices

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<b>U.S. Oil and Gas Prices</b>			
November 21, 2008			
	<b>Today</b>	<b>Week Ago</b>	<b>Year Ago</b>
<b>CRUDE OIL</b>			
<b>West Texas Intermediate U.S.</b>	49.00	56.69	98.23
\$/Barrel			
<b>NATURAL GAS</b>			
<b>Henry Hub</b>	6.76	6.31	6.81
\$/Million Btu			

Source: Reuters

## Energy Notes

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### **NRC Sees no Significant Risk from Drywell Liner at Exelon's 641 MW Oyster Creek Nuclear Power Plant in New Jersey**

<http://www.app.com/article/20081118/NEWS02/811180351/1070/NEWS02>

### **U.S. NRC Okays 20-Year Operating License Extension for Wolf Creek Nuclear's 1,236 MW Wolf Creek Nuclear Power Plant in Kansas November 20**

<http://www.platts.com/Nuclear/News/6023150.xml?p=Nuclear/News&sub=Nuclear>

### **Pepco Energy Services Opens 5 MW Landfill Gas-fired Energy Facility in Pennsylvania November 21**

DJN, 12:01 November 21, 2008

### **Average U.S. Gasoline Price Falls below \$2/Gallon November 21—AAA**

#### **Price is Lowest since October 2004**

Reuters, 09:59 November 21, 2008

**Pressure Gauge Blows Out at Valero's 142,000 b/d Corpus Christi, Texas Refinery  
November 20**

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=116902>

**Sunoco Denies Report that it Might Shut 85,000 b/d Tulsa, Oklahoma Refinery**

Bloomberg News, 17:25 November 20, 2008

**Update: State Board of Minerals and Environment Schedules May Hearing in Hyperion Resources' Bid for State Air Quality Permit of Planned 400,000 b/d South Dakota Refinery**

<http://www.forbes.com/feeds/ap/2008/11/20/ap5723063.html>

**Update: Board of Harbor Commissioners Likely to Approve Plains All American Pipeline's Proposed Oil Terminal at Port of Los Angeles after November 20 Meeting**

[http://www.dailybreeze.com/ci\\_11038495](http://www.dailybreeze.com/ci_11038495)

**Update: Iran Slows output at Multiple Oilfields, Halts Crude Spot Sales in Line with Last Month's OPEC Cut—Plans Called for Iran to Curtail Production by 199,000 b/d**

Reuters, 05:57 November 21, 2008

**Update: OPEC Crude Output Poised to Drop by 1.22 Million b/d in November after October Agreement to Cut Production**

Reuters, 05:08 November 21, 2008

Bloomberg News, 13:46 November 21, 2008

**Total, Saudi Arabian Oil Co. Plan Export Refinery in Jubail, Saudi Arabia**

DJN, 11:48 November 21, 2008

**Update: Russia Passes Amendment to Slash Oil Export Duty Shippers Had Warned They Would Cut Exports due to Current Conditions**

Reuters, 08:58 November 21, 2008

**Gunmen Assault Nigerian Military Close to Shell's Nembe Creek Flow Station in Nigeria—Shell Location Undamaged**

Reuters, 02:33 November 21, 2008

**Update: Chevron Says no Operational Impact after Attack near Escravos Oil Export Terminal**

Bloomberg News, 03:38 November 21, 2008

**Update: StatoilHydro Plans to Increase Angolan Oil Production from 200,000 b/d to 250,000 b/d "In Coming Years"**

Bloomberg News, 06:00 November 21, 2008

**Wire Shorts at Tilden Gas Plant in Texas November 20**

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=116912>

**Update: FERC Approves SG Resources Mississippi LLC Plan to Expand Natural Gas Storage Facility in Mississippi by 16 Bcf—Project Will Boost Capacity to About 40 Bcf**

<http://intelligencepress.com/>

**Update: Appeals Court Rejects MMS Approval of Shell's Plan to Explore Beaufort Sea in Arctic Ocean**

<http://www.platts.com/Oil/News/6023199.xml?p=Oil/News&sub=Oil>

## Investigators Say Natural Gas Leak to Blame for Fatal November Explosion in Colorado— Leakage Occurred at Connection Between Distribution Line and Xcel Main Line

<http://www.platts.com/Natural%20Gas/News/6023163.xml?p=Natural%20Gas/News&sub=Natural%20Gas>

### Links

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***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](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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