



# ENERGY ASSURANCE DAILY

Thursday Evening, November 29, 2007

## Major Developments

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### **Enbridge Crude Pipeline Explodes in Minnesota, Shuts in 1.5 Million b/d November 28 Company Says Two of Four Lines Restarted, Another Soon to Follow November 29**

Enbridge's 420,000 b/d heavy crude pipeline Line 3 exploded yesterday, halting movement along three other company pipelines and shutting in about 15% of U.S. crude imports, multiple sources reported. Two workers died in the incident. Enbridge shut pipelines 1, 2, and 4 after the blast. Line 3 was already shut for maintenance. The lines ship crude, natural gas liquids, and refined products from Canada to the United States at a rate of about 1.5 million b/d. The company said it restarted Lines 1 and 2 this morning, and Line 4 this afternoon. Repairs on the affected Line 3 will take two or three days, it said. Line 1 moves about 236,000 b/d of natural gas liquids, refined products and synthetic crudes, Line 2 approximately 409,000 b/d of condensate, synthetic, light and medium grade crudes, and Line 4 around 669,000 b/d of heavy crude.

<http://www.bloomberg.com/apps/news?pid=20670001&refer=home&sid=aTva7gtG1uyY>

[http://money.cnn.com/news/newsfeeds/articles/djf500/200711291304DOWJONESDJONLINE000883\\_FORTUNE5.htm](http://money.cnn.com/news/newsfeeds/articles/djf500/200711291304DOWJONESDJONLINE000883_FORTUNE5.htm)

[http://www.rigzone.com/news/article.asp?a\\_id=53424](http://www.rigzone.com/news/article.asp?a_id=53424)

<http://www.platts.com/Oil/News/8388707.xml?p=Oil/News&sub=Oil>

[http://biz.yahoo.com/ap/071129/pipeline\\_fire\\_strategic\\_reserves.html?.v=1](http://biz.yahoo.com/ap/071129/pipeline_fire_strategic_reserves.html?.v=1)

[http://biz.yahoo.com/ap/071129/oil\\_prices.html?.v=14](http://biz.yahoo.com/ap/071129/oil_prices.html?.v=14)

<http://cnrp.ccnmatthews.com/client/enbridge/releaseen.jsp?actionFor=798003>

<http://cnrp.ccnmatthews.com/client/enbridge/releaseen.jsp?actionFor=797856>

<http://www.easybourse.com/Website/dynamic/FicheValeur-Actualites.php?ISIN=GB0007980591&NewsID=349651>

Reuters, 13:03 November 29, 2007

Reuters, 12:22 November 29, 2007

Reuters, 12:27 November 29, 2007

### **Expect Minimal Impact, Some Analysts Say**

Sufficient crude stocks and quick repairs should offset any supply disruption, analysts said today. Oil prices spiked after the explosion to \$95.17/barrel last night, opened at \$92.60/barrel today, but settled back to under \$91 by midday. One analyst called the jump an overreaction. Pipeline fixes usually take just a few days, another said. Enbridge did not declare force majeure on U.S. deliveries, and the EPA said no affected states asked for clean-gasoline waivers, as of this afternoon. Refiners can tap the Strategic Petroleum Reserve, if necessary, the Department of Energy said. The blast did not impact ConocoPhillips 306,000 b/d Wood River, Illinois refinery, according to a spokesman. An Enbridge official, however, said the shutdowns could affect Illinois refineries, and another source said shipments could be slowed for weeks. Neither forecasted any specific figures.

Reuters, 12:22 November 29, 2007

Reuters, 11:38 November 29, 2007

Bloomberg, 10:39 November 29, 2007

<http://www.platts.com/Oil/News/8388707.xml?p=Oil/News&sub=Oil>

### **Nevada Power Plans 500 MW Gas-fired Power Plant at 78 MW Harry Allen Generating Station in Nevada**

Pending state approval, the plant should enter service by the summer of 2011, Sierra Pacific Resources' subsidiary, Nevada Power Company, said in a press release. The new capacity is meant to offset construction delays at Nevada Power's proposed Ely Energy Center in Eastern Nevada. Ely's first 750 MWs were expected online in 2011, but permitting issues have slowed progress, the company said.

[http://www.businesswire.com/portal/site/google/index.jsp?ndmViewId=news\\_view&newsId=20071128006106&newsLang=en](http://www.businesswire.com/portal/site/google/index.jsp?ndmViewId=news_view&newsId=20071128006106&newsLang=en)

### **Constellation's 1,120 MW Nine Mile Point Nuke Unit 2 in New York Reduced to 85 Percent November 29**

According to the Nuclear Regulatory Commission, the unit was operating at 95 percent on November 28. Information derived from NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2007/>

### **FirstEnergy's 1,235 MW Perry Nuke Unit 1 in Ohio Shut November 29**

According to the Nuclear Regulatory Commission, the unit was operating at 100 percent on November 28. It shut automatically after trouble with the feedwater system level control, according to FirstEnergy. The company is investigating the incident.

Information derived from NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2007/>

<http://www.marketwatch.com/News/Story/Story.aspx?guid=%7bAC9058BA-7086-43AB-AE6F-D5E20593085F%7d&siteid=yhoo&dist=yhoo>

### **Update: Harbor's Cogeneration's 109 MW Harbor Cogen Combined Cycle Units in California Return to Service November 28**

According to a report issued by the California Independent System Operator, all three units at the plant returned to service following an unplanned outage on November 26.

<http://www.caiso.com/unitstatus/data/unitstatus200711281515.html>

### **Update: PG&E's 154 MW Kerckhoff PH 2 Hydro-powered Unit 1 in California Restored November 28**

According to a report issued by the California Independent System Operator, the unit was restored following an unplanned outage on November 27.

<http://www.caiso.com/unitstatus/data/unitstatus200711281515.html>

## **Petroleum**

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### **Coking Unit Fire at Shell's 337,000 b/d Deer Park, Texas Refinery November 28**

The small fire did not affect production, according to a company spokesman. Reuters, 8:54 November 29, 2007

### **Valero Plans Flaring at 195,000 b/d Paulsboro, New Jersey Refinery November 28**

Valero said it would flare sulfur dioxide after equipment adjustment problems yesterday, according to a filing with state regulators.

Bloomberg, 13:48 November 29, 2007

### **Update: Leak at Pemex's Damaged Oil Well Platform Continues—11,700 Barrels Already Spilled in Gulf of Mexico as of November 29**

It might take several months to fix the leak, Petroleos Mexicanos said. Fires continue to burn, and about 5,700 b/d of crude production remains shut-in. 21 workers died October 23 when a drilling rig crashed into the platform, and about 420 barrels of oil per day have leaked since, according to a Pemex official.

[http://news.yahoo.com/s/ap/20071129/ap\\_on\\_re\\_la\\_am\\_ca/mexico\\_oil\\_spill\\_3;\\_ylt=Am4z1.GKeCJNvfcjTOXXOH.AsnsA](http://news.yahoo.com/s/ap/20071129/ap_on_re_la_am_ca/mexico_oil_spill_3;_ylt=Am4z1.GKeCJNvfcjTOXXOH.AsnsA)

## Natural Gas

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### Spectra Ends Successful Open Season for 325,000 Dth/d Natural Gas Pipeline to Northeast U.S.

The proposed pipeline would connect Rocky Mountain natural gas production and storage to Northeast markets, a company release said today. The project should be complete by 2010.

[http://www.spectraenergy.com/news/releases/2007/Nov/20071129\\_01.asp](http://www.spectraenergy.com/news/releases/2007/Nov/20071129_01.asp)

## Other News

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### Western New York Energy Starts Production at 50 Million Gallon/Year, Shelby, New York Ethanol Plant November 29

Western Energy plans to refine 20 million bushels of corn/year at the facility. It is the first ethanol plant in the U.S. Northeast, multiple sources said.

[http://www.journal-register.com/local/local\\_story\\_333105518.html](http://www.journal-register.com/local/local_story_333105518.html)

Market Wire, 7:27 November 29, 2007

### 2007 Storm Season Weaker than Usual, Analysts Say

The 2007 mean storm lasted just 2.3 days—the shortest average since 1977—as heavy wind pockets destroyed squalls before they could develop, forecasters said. The Atlantic basin, however, did endure a rough season, nearing its record 2004 total of named storms.

<http://www.heraldtribune.com/article/20071128/NEWS/711280616>

## Energy Prices

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U.S. Oil and Gas Prices			
November 29, 2007			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b>			
<b>West Texas Intermediate U.S.</b>	90.93	98.23	62.45
\$/Barrel			
<b>NATURAL GAS</b>			
<b>Henry Hub</b>	7.51	6.81	7.74
\$/Million Btu			

Source: Reuters

## Energy Notes

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### Alliant Energy, Other Utilities to Draft Operating Contract for Planned 630 MW Coal-fired Power Plant in Marshalltown, Iowa November 28

<http://www.kcrg.com/news/local/11887376.html>

### BP Failed to Maintain Pipelines, in Part to Blame for 200,000-gallon Prudhoe Bay, Alaska Oil Spill in 2006—Will Plead Guilty to Environmental Charges November 29

[http://biz.yahoo.com/ap/071128/bp\\_settlement\\_alaska.html?v=2](http://biz.yahoo.com/ap/071128/bp_settlement_alaska.html?v=2)

### Exelon Issues Alert after Nitrogen Release at 2,336 MW Byron Generating Station in Illinois November 27—All Units Remain Online

<http://phx.corporate-ir.net/phoenix.zhtml?c=124298&p=irol-newsArticle&ID=1081655&highlight=>

**AEP Earns Regulators' Approval for 21-mile Transmission Line Connecting Proposed Wind Farms in Kenedy County, Texas November 27**

[http://biz.yahoo.com/ap/071128/tx\\_wind\\_farm\\_feud.html?v=1](http://biz.yahoo.com/ap/071128/tx_wind_farm_feud.html?v=1)

**OPEC Should Hike Output, Curb High Prices—IEA Executive Director**

Bloomberg, 9:37 November 29, 2007

**Valero Reports Flaring at 218,500 b/d Texas City, Texas Refinery November 28**

<http://www2.tceq.state.tx.us/ee/main/index.cfm?fuseaction=getDetails&target=100543>

**Update: Plant Remains Shut, but Fire Extinguished at 450 MMcf/d Ignacio Natural Gas Plant in Colorado, November 28**

<http://www.williamsjp.com/News.htm>

**Entergy's 2,311 MW Indian Point Nuclear Power Complex Passes NRC Siren System Test November 28**

<http://www.newsday.com/news/local/wire/newyork/ny-bc-ny--indianpoint-siren1128nov28.0.6169773.story>

**Santa Fe County, New Mexico Announces Three-Month Oil, Gas Drilling Application Moratorium as Officials Seek New Regulations**

[http://pro.energycentral.com/professional/news/gas/news\\_article.cfm?id=9308472](http://pro.energycentral.com/professional/news/gas/news_article.cfm?id=9308472)

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## 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](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

*Energy Assurance Daily* provides a summary of public information concerning current energy issues. Published Monday through Friday to inform stakeholders of developments affecting energy systems, flows, and markets, it provides highlights of energy issues rather than a comprehensive coverage. *Energy Assurance Daily* is updated online Monday through Friday after 5:00 p.m. EST. For more information, visit the Infrastructure Security and Energy Restoration (ISER) website at:

<http://www.oe.netl.doe.gov/index.aspx>.

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