



ENERGY ASSURANCE DAILY

Wednesday Evening, December 10, 2008

Electricity

Substation Fire Knocks out Power to 93,000 Jersey Power & Light Customers in New Jersey early December 9, Most Outages Restored December 10

Jersey Central Power & Light officials are investigating the cause of the Ocean View substation fire which destroyed the transformer on site. The fire caused as many as 93,000 customers to lose electricity service late December 9. Workers successfully shifted the circuits to get electricity flowing again and as of latest reports, only 850 customers remain without power.

<http://www.1010wins.com/Power-Restored-to-All-Affected-by-Transformer-Fire/3463885>

<http://www.bloomberg.com/apps/news?pid=20601103&sid=aHEe1QPUJw6g&refer=us>

http://www.firstenergycorp.com/outages/outages.do?state_code=NJ

West Virginia Public Service Commission Grants AES Approval to Build Proposed 125 MW Laurel Mountain Wind Farm in West Virginia

On November 26, the West Virginia Public Service Commission granted a siting certificate for AES to build its proposed Laurel Mountain wind farm, which is to have a capacity of between 125 MW and 132.5 MW.

<http://www.windaction.org/news/18988>

American Electric Power-Public Service Company of Oklahoma to Suspend Underground Power line Program

AEP-PSO is delaying its program to bury overhead power lines to protect them from inclement weather due to the instability of U.S. markets. An AEP-PSO representative said that while new projects are on hold until financial stability can be reached, projects that are under way will continue.

http://www.tulsaworld.com/news/article.aspx?subjectid=11&articleid=20081209_11_A1_AnAspl244445

LADWP Expects 3,100 MW Pacific DC Intertie Power Line to Return to Full Service December 11 Following Shutdown and De-rate due to Wildfires

The Los Angeles Department of Water and Power has been repairing the Pacific DC Intertie power line since it was shut on November 15 when a wildfire damaged the Sylmar converter station. On November 27, the Pacific DC line capable of transmitting up to 3,100 MW began operating again at 900 MW. This past week, the LADWP made progress on the repairs, and increased the line to 2,500 MW. The Department seeks to return the line to full service December 11.

Reuters, 09:33 December 10, 2008

Update: Harbor Cogen's 109 MW Harbor Combined Cycle Gas-fired Unit in California Returns to Service by December 9

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

<http://www.caiso.com/unitstatus/data/unitstatus200812091515.html>

AES's 226 MW Huntington Beach Gas-fired Unit 2 in California Returns to Service by December 9

The California Independent System Operator reported the unit returned from an unplanned curtailment of 161 MW.

<http://www.caiso.com/unitstatus/data/unitstatus200812091515.html>

Complete's 259 MW La Paloma Gas-fired Unit 1 in California Shut by December 9

Reuters, 19:19 December 9, 2008

Bruce's 750 MW Bruce Nuke Unit 3 in Ontario Shut by December 9

The unit was shut on December 9 for short work on the turbine generator.
Reuters, 8:31 December 10, 2008

OPG's 515 MW Pickering Nuke Unit 4 in Ontario Shut by December 10

Reuters, 8:31 December 10, 2008

OPG's 490 MW Nanticoke 2 Coal-fired Unit in Ontario Shut by December 10

Reuters, 8:31 December 10, 2008

Petroleum

Texas Offshore Port System Files with Maritime Administration and USCG for License to Build a Crude Oil Deepwater Port Facility Offshore Texas

The Texas Offshore Port System (TOPS) filed an application to build, own, and operate a crude oil deepwater port facility off the coast of Texas. The TOPS project is slated to import 1.7 million b/d of oil into the U.S.
[http://www.downstreamtoday.com/News/Articles/200812/Texas Offshore Port System Files for Dee 14135.aspx](http://www.downstreamtoday.com/News/Articles/200812/Texas_Offshore_Port_System_Files_for_Dee_14135.aspx)

Update: Leak at Valero's 182,000 b/d Delaware City, Delaware Refinery Forces Shutdown of Refining Unit and Leads to Multi-Agency Investigation

Valero officials discovered a leak early morning December 9 that is said to have come from a leak in part of the hydrotreater unit, which has since been shutdown. The oil leaked into the Delaware River that same morning, forcing regional oil response groups to begin cleanup work while company officials began a review and investigation with the Delaware's Department of Natural Resources and Environmental Control.
<http://www.delawareonline.com/article/20081210/NEWS08/812100355/1253>

ExxonMobil Reduces Feed Rates to Sulfur Plant at its 348,000 b/d Beaumont, Texas Refinery December 9

According to a filing with Texas state regulators, the company reduced feed rates to a sulfur plant boiler at its Beaumont refinery after the failure of the unit's water pump.
<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=117571>
<http://www.reuters.com/article/marketsNews/idUSN1033212720081210>

ConocoPhillips Cut Rates at FCC Unit at its 146,000 b/d Borger, Texas Refinery December 10

In a filing to state regulators, the company reduced the feed rate at FCC Unit Number 29 to assist with repairs to an associated wet gas compressor.
Reuters, 09:30 December 10, 2008
<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=117401>

Canadian Oil Sands Trust Plans \$440 Million in Capital Spending for 2009

The trust said it anticipates an average production of 115,800 b/d of synthetic oil in 2009.
<http://finance.sympatico.msn.ca/investing/news/businessnews/article.aspx?cp-documentid=15789633>

Natural Gas

Bureau of Land Management Approves Plan to Allow 1,255 New Natural Gas Wells in Montana

The U.S. Bureau of Land Management (BLM) approved plans December 5 that will allow the development of 1,255 new natural gas wells in northeastern Montana. Specifically, the Bowdoin field wells in Phillips and Valley counties could tap 380 Bcf of gas over the next 30 years.
http://hosted.ap.org/dynamic/stories/M/MT_GAS_WELLS_SAGE_GROUSE_MTOL-?SITE=ILROR&SECTION=HOME&TEMPLATE=DEFAULT

Other News

Overall Decrease in Energy Prices Have no Impact on Rising O&G Exploration Costs, CERA Reports

According to research performed by the Cambridge Energy Research Associates (CERA), exploration and production costs have increased five percent in the past six months of 2008 despite decreases in global energy prices.

Reuters, 08:00 December 10, 2008

TransGas Announces Plans to Build Coal-to-Liquids Plant in West Virginia by 2013

During the West Virginia Energy Summit held December 8, TransGas Development Systems announced plans to build a \$3 billion coal-to-liquids plant in West Virginia. The company estimates the facility will use up to 3 million tons of locally mined coal per year to produce more than 6.5 million barrels of gasoline. The project is slated to become operational by 2013.

http://www.downstreamtoday.com/News/Articles/200812/TransGas_Plans_B_CTL_Plant_In_Mountain_14132.aspx

Energy Prices

U.S. Oil and Gas Prices			
December 10, 2008			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	45.74	47.36	87.71
NATURAL GAS Henry Hub \$/Million Btu	5.57	6.68	6.98

Source: Reuters

Energy Notes

Ameren Reports 12,410 Customers in Illinois without Power December 9, Only 123 Customers Remain without Power December 10

<https://www2.ameren.com/outagemap/default.aspx?state=IL>

Tornado-like Activity Knocks out Power to 11,000 Entergy Customers in Mississippi December 9, Entergy Reports 3,800 Customers without Power Morning of December 10

<http://www.wapt.com/news/18241733/detail.html>

Equipment Failure Leaves Over 10,000 Montana Dakota Utilities Customers without Power in South Dakota December 9

<http://www.aberdeennews.com/apps/pbcs.dll/article?AID=/20081210/FRONTPAGE/812100332>

Koch Supply and Trading Books Two Additional Very Large Crude Carriers to Store Crude in U.S. Gulf, Move Increases Floating Storage in Area to 10 MM Barrels

Reuters, 11:41 December 10, 2008

Colorado State University Researchers Forecast 'Above-Average' Atlantic Hurricane Season with 14 Named Storms

Reuters, 11:05 December 10, 2008

Mexico's Government Shuts Dos Bocas Oil Exporting Port on Bad Weather December 10
Reuters, 11:12 December 10, 2008

Shell's Net Output in Gulf of Mexico at 310,000 b/d, Decrease from Average 350,000 b/d Rate on Strong Hurricane Season
Bloomberg News, 17:26 December 10, 2008

B-Turbine Reported Shut on Power Turbine Trip at Goldsmith Gas Plant in Texas December 9
<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=117513>

Florida Officials to Investigate 20 Companies for Price-Gouging Offenses on Violations Occurring during Tropical Storm Fay
<http://www.tampabay.com/news/local/story.aspx?storyid=95752>

Report Finds Cap-and-Trade Policy in U.S. Midwest would Negatively Impact Minnesota's Economy by Causing Increases in Energy Prices and Reducing Employment
View report here: <http://www.poweringourlives.com/uploads/resources/98/cra-final-report.pdf>

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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