



ENERGY ASSURANCE DAILY

Monday Evening, December 31, 2007

Electricity

PSEG's 1,159 MW Salem Nuke Unit 1 in New Jersey Shut December 28

The unit automatically tripped offline after the failure of a power transformer on December 28. A spokesman for the company did not say when the unit would restart.

Bloomberg News, 10:04 December 31, 2007

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

PPL's 1,105 MW Susquehanna Nuke Unit 1 in Pennsylvania at Full Power December 31

According to the Nuclear Regulatory Commission, the unit had been operating at 88 percent on December 30, down from 100 percent of capacity on December 29.

Information derived from NRC Power Reactor Status Reports:

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

Petroleum

Smooth Switch Expected as Missouri Mandates E-10 Gasoline Beginning January 1

A law requiring Missouri gas stations to sell gasoline blended with 10 percent ethanol (E-10) will go into effect beginning January 1 but no significant problems are expected as most Missouri gas stations have been selling E-10 for the past several months due to a price differential between cheaper ethanol and more expensive traditional gasoline. The law covers regular gasoline and other grades that have less than a 91 octane rating, but exempts premium gasoline as well as marine and aircraft fuel.

<http://www.kansascity.com/105/story/418352.html>

Update: Full Capacity Expected in 4-6 Weeks at BP's 470,000 b/d Texas City, Texas Refinery

According to a company spokesman, BP's Texas City refinery should be near full capacity in four to six weeks. Previously, BP had hoped the refinery would reach capacity by the end of December 2007. The refinery has been operating at about half of its capacity since an explosion in March 2005 that killed 15 workers. The spokesman said that three of four major processing units at the plant have been repaired, and a fourth, which processes sour crude oil, will be commissioned in January or February.

<http://www.chron.com/disp/story.mpl/metropolitan/5410275.html>

<http://www.reuters.com/article/rbssEnergyNews/idUSN3156763820071231>

Update: Normal Rates Expected Next Week at Valero's 218,500 b/d Texas City, Texas Refinery

The company announced December 28 that it does not expect to return the plant to normal operations until next week. Production was disrupted by a power outage at the refinery on December 2. During the power outage, a coker unit, which processes heavy crude oil, lost heat and pressure and was gummed up as the tar-like crude solidified. The refinery is currently running at 180,000 to 190,000 b/d, as much as 27 percent below capacity and 14 percent below its normal rate.

Bloomberg News, 16:24 December 28, 2007

SRU Malfunctions at Valero's 171,000 b/d McKee Refinery in Sunray, Texas December 30

According to a filing with Texas regulators, a malfunction in the No. 2 Sulfur Recovery Unit (SRU) led to flaring, which lasted about 5 hours.

<http://www2.tceq.state.tx.us/eer/main/index.cfm?fuseaction=getDetails&target=101855>

Process Upset at ConocoPhillips's 146,000 b/d Borger, Texas Refinery December 28

According to a filing with Texas regulators, an unspecified "process upset" resulted in flaring, which lasted about half an hour.

<http://www2.tceq.state.tx.us/eer/main/index.cfm?fuseaction=getDetails&target=101825>

Processing Unit Leaks at ConocoPhillips's 139,000 b/d Wilmington, California Refinery December 30

According to a filing with California regulators, hydrogen sulfide leaked from a flange on an unidentified processing unit. The cause of the leak is currently under investigation.

<http://www.oes.ca.gov/Operational/MALHaz.nsf/f1841a103c102734882563e200760c4a/cd637f5cc13981ef882573c200351cce?OpenDocument>

Flaring Reported at Chevron's 274,000 b/d El Segundo, California Refinery December 31

According to a filing with South Coast Air Quality Management District, the refinery flared early this morning. Bloomberg News, 09:02 December 31, 2007

Compressor Shut at Valero's 190,200 b/d Delaware City, Delaware Refinery December 27

According to a filing with Delaware regulators, a compressor tripped offline and led to flaring late on December 27. A company spokesman said that the event did not have any impact on production.

Bloomberg News, 16:51 December 28, 2007

Australia's Oil Output to Resume after Tropical Cyclone Melanie Passes

Oilfield operators shut in 260,000 b/d of crude oil production, more than half of Australia's output, as Tropical Storm Melanie, a category 2 cyclone, struck the country's northwest coast yesterday. The cyclone has passed and operators are preparing to restore production. BHP Billiton Ltd. intends to resume output at its 80,000 b/d Sytbarrow field at 2 p.m. Sydney time December 31. Woodside Petroleum Ltd. is awaiting better weather "in the next couple" days before reconnecting its offshore production vessel at the 100,000 b/d Cossack-Pioneer oil project. Santos Ltd. expects to resume output on from its production vessel at its 20,000 b/d Muntineer-Exeter field tomorrow.

<http://www.bloomberg.com/apps/news?pid=20601081&sid=abXpuaCRwID4&refer=australia>

Natural Gas

LNG Export Terminal Delays Could Limit U.S. Natural Gas Supplies in Coming Years

According to an analyst with Cambridge Energy Research Associates (CERA), new LNG export terminals are experiencing more start up difficulties than previously anticipated. If delays continue long-term, Atlantic Basin and U.S. supplies of natural gas could be affected.

http://www.downstreamtoday.com/News/Articles/200712/Empty_LNG_Tanker_Adds_To_Mounting_Fears_7854.aspx

No. 3 Compressor, VRU Shut at Stillman Compressor Station in Texas December 29

According to a filing with Texas regulators, the No. 3 compressor went down due to high liquid level on the first stage scrubber causing the vacuum recovery unit (VRU) to go down on high discharge pressure. Both units were placed back in service in about 6 hours.

<http://www2.tceq.state.tx.us/eer/main/index.cfm?fuseaction=getDetails&target=101842>

Problems Lead to Flaring at Waha Natural Gas Processing Plant in Texas December 29-January 2

<http://www2.tceq.state.tx.us/eer/main/index.cfm?fuseaction=getDetails&target=101857>

Other News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices			
December 31, 2007			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	95.45	93.10	60.85
NATURAL GAS Henry Hub \$/Million Btu	7.11	7.19	5.50

Source: Reuters

Energy Notes

Millstone Nuclear Power Station Searching for Source of Tritium Leak in Connecticut

<http://www.newsday.com/news/local/wire/connecticut/ny-bc-ct--millstoneleak1229dec29.0.1966240.story>

New York Officials Say Proposed Broadwater LNG Terminal on Long Island Sound Would Harm Environment

<http://www.newsday.com/services/newspaper/printedition/friday/business/ny-bzdec285516506dec28.0.3174234.story>

Mexico Sends Soldiers to Guard Oil Pipelines after Sabotage Last Week – El Universal Newspaper

Bloomberg News, 10:39 December 31, 2007

Iraq's Oil Exports Hit 3-Year High of 1.9 Million b/d in November

<http://uk.reuters.com/article/oilRpt/idUKL3022044820071230?rpc=401&>

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/index.aspx>.

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