



ENERGY ASSURANCE DAILY

Thursday, May 31, 2007

Major Developments

Update: Colonial Pipeline Restarts Portion of Main Gasoline Line May 31

Gasoline Shipments from Houston to Atlanta Moving on Mainline

Gasoline Shipments from Atlanta to Greensboro Rerouted to Distillate Line

Colonial Pipeline's Line 1, the system's main gasoline line, was shut on May 29 for maintenance. According to a report from OPIS, Line 1 between Houston and Atlanta has been reopened. Locations from Houston to Atlanta were being re-supplied while the Line 1 from Atlanta to Greensboro, North Carolina remained shut. Colonial has begun shipping gasoline on a distillate line north of Atlanta while work continues on Line 1. An update on the pipeline's status is expected later on May 31.

OPIS Price Watch Alert, 13:51 May 31, 2007

Reuters, 07:31 May 31, 2007

Electricity

GenPower Breaks Ground on 695 MW Longview Coal-fired Power Plant in West Virginia May 30

GenPower Holdings LP broke ground on the power plant May 30 in Fort Martin, West Virginia. Construction on the plant, which will be the first coal-fired power plant built in West Virginia since 1993, is expected to be complete by March 2011,

<http://www.centredaily.com/business/story/110955.html>

PSEG's 1,130 MW Salem Creek Nuke Unit 2 in New Jersey Exits Outage May 31

The unit exited an outage and ramped up to 7 percent of capacity by early May 31. The unit tripped offline May 24 when a porthole-style window in a steam condenser broke, and water contaminated with both hydrazine and tritium leaked into the storm drainage system. Over the weekend, plant operators replaced all of the porthole-style monitoring windows in the condensers. Saturday, the operators tried to bring the Salem unit back online, but had to shut down before reaching full power.

Reuters, 07:32 May 31, 2007

http://www.pressofatlanticcity.com/science_nature/story/7482155p-7377123c.html

PSEG's 1,050 MW Hope Creek Nuke Unit 1 in New Jersey Exits Outage May 31

The unit exited an outage and ramped up to 1 percent of capacity by early May 31. The unit was manually shut down May 29 after an electrical problem tripped two of the three water pumps that feed the reactor.

http://www.pressofatlanticcity.com/science_nature/story/7482155p-7377123c.html

Bloomberg News, 12:58 May 31, 2007

Update: Entergy's 1,019 MW Indian Point Nuke Unit 2 in New York Exits Outage May 31

The unit exited an outage and ramped up to 25 percent of capacity by early May 31. Entergy took the unit offline on May 28 to repair a valve that controls the flow of water to the steam generators.

Reuters, 07:21 May 31, 2007

FPL's 693 MW Turkey Point Nuke Unit 4 in Florida Ramps Up to Full Power May 31

The unit ramped up to 78 percent of capacity by early May 31. FPL had reduced the unit to about 40 percent of capacity by early May 30 to test a turbine valve.

Reuters, 07:40 May 31, 2007

Bloomberg News, 11:22 May 31, 2007

Update: TXU's 750 MW Monticello Coal-fired Unit 3 in Texas Returns to Service May 30

The unit returned to service early May 30 after tripping offline on May 29 due to a control system problem.

Reuters, 12:58 May 31, 2007

TMPA's 462 MW Gibbons Creek Coal-fired Unit in Texas Shut May 31

The company shut the unit to fix a tube leak.

Reuters, 08:06 May 31, 2007

Update: AES's 225 MW Huntington Beach Unit 3 in California Returns to Service May 30

The unit was shut on May 29 for unplanned reasons.

Bloomberg News, 19:20 May 31, 2007

<http://www.genpower.net/index.php?act=1010>

Petroleum

Mississippi River Closed in St. Louis Area by Sunken Barge

The upper Mississippi River is closed to all traffic, including oil barges, above St. Louis following an accident that occurred when a loose barge struck a bridge and sank. Although officials have not indicated when they expect the river to reopen, Reuters cites grain traders familiar with the area as indicating that they anticipate the closure to last two to three days. The river is closed from mile marker 180 to 184.

Reuters, 12:05 May 31, 2007

FCCU Restarts at ConocoPhillips's 194,000 b/d Ponca City Refinery in Oklahoma May 30

The company announced that it had restarted the 24,000 b/d fluid catalytic cracking unit (FCCU) after it had been shut for more than a week for unplanned maintenance. According to the company, the unit is back in full operation.

Reuters, 16:13 May 30, 2007

Compressor Trips at ConocoPhillips's 247,000 b/d Sweeny Refinery in Texas May 31

A fuel-gas compressor tripped offline and the company was unable to immediately restart the unit according to a report filed with state regulators.

Reuters, 13:54 May 31, 2007

Upset Reported at ConocoPhillips's 146,000 b/d Borger Refinery in Texas May 31

The event happened late on May 30 according to a report filed with state regulators.

Bloomberg News, 11:39 May 31, 2007

Update: Nigerian Pipeline Protest Continues for Third Day May 31

150,000 b/d of Bonny Light Production Remains Shut

Villagers continue to occupy the Bomu pipeline hub which serves the Bonny oil export terminal.

Reuters, 13:04 May 31, 2007

Pipeline Leak Shuts Additional 77,000 b/d of Shell's Production in Nigeria May 31

According to Shell, the leak was discovered in the Nembe export line on May 28. Workers have thus far been unable to gain access to the area to repair the line.

Reuters, 12:27 May 31, 2007

North Sea Field Maintenance to Cut Ekofisk Crude Oil Production by 325,000 b/d in June

Maintenance scheduled from May 28 to June 6 at the Oseberg and Grane oilfields in the Norwegian North Sea will cut Ekofisk crude production in June to 183,333 b/d, down 324,732 b/d from 508,065 b/d in May.

<http://www.platts.com/Oil/News/8076997.xml?p=Oil/News&sub=Oil>

Analyst Sees 150,000 b/d Increase in OPEC Export Volumes in June

According to the consulting firm Oil Movements, OPEC's crude oil exports will increase by 150,000 b/d for the month of June as the result of increased demand in Asia. The figures do not include Angola, a new OPEC member.

Reuters, 11:30 May 31, 2007

San Francisco Bay Area Refinery Upgrades to Help Make Gasoline Supply More Predictable

http://origin.insidebayarea.com/business/ci_6011637

Valero Plans 20,000 b/d Expansion at its 210,000 b/d Delaware City Refinery in Delaware

The company announced that it is proposing to add 20,000 b/d to meet growing demand for products in the region. Reuters, 13:29 May 31, 2007

Natural Gas

Nothing to report.

Other News

New MMS Regulations Require Some Mobile Offshore Drilling Rigs in Central U.S. Gulf to Halt or Curtail Operations Ahead of Hurricanes

New MMS regulations designed to ensure safety and environmental protection will require 20 percent of the 75 or so mobile offshore drilling rigs in the Central U.S. Gulf of Mexico to halt or curtail operations ahead of hurricanes. Other safety regulations for hurricane preparation include GPS locators on all platforms, improvements to mooring lines and practices on offshore facilities, and requiring rigs to have higher deck heights.

MMS Preparations: <http://www.mms.gov/PDFs/Preparations2007HurricaneSeasonBackgrounder.pdf>
Gas Daily, May 31, 2007

Texas Railroad Commission Adopts Rules to Help Prevent Underground Pipeline Damage

The three Texas Railroad Commissioners today adopted rules to help protect the state's 200,000 miles of intrastate pipelines. The number one cause of pipeline accidents in the state and nation is damage by third-parties, such as homeowners, contractors, city or state employees or anyone digging near pipelines. The new rules, effective Sept. 1, address best management practices for underground pipeline operators and excavators, and, for the first time, provide penalties for rule violations.

<http://www.rrc.state.tx.us/news-releases/2007/053007.html>

EIA's Website Launches New State Energy Profiles Written Overviews

The U.S. Energy Information Administration has published fabulously written, detailed overviews describing the energy resources and infrastructure found in each State.

State Energy Profiles: <http://tonto.eia.doe.gov/state/>

This Week At EIA - May 25 - May 31, 2007

Energy Prices

U.S. Oil and Gas Prices			
May 31, 2007			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	64.02	63.62	70.35
NATURAL GAS Henry Hub \$/Million Btu	7.80	7.56	6.20

Source: Reuters

Energy Notes

FPL Energy Files Application with Texas PUC to Build New 2,000 MW Transmission Line May 31

<http://www.fplenergy.com/news/contents/2007/053107.shtml>

Enbridge Files Regulatory Application with Canada's NEB for 450,000 b/d Alberta Clipper Expansion Project

<http://cnrp.ccnmatthews.com/client/enbridge/releaseen.jsp?actionFor=655080>

<http://www.enbridge-expansion.com/expansion/>

CHS to Build Three Petroleum Product Terminals Along Yellowstone Pipeline in Montana and Washington State

<http://chsinc.mediaroom.com/index.php?s=43&item=32>

NiSource Planning 15 Bcf Expansion at Crawford Natural Gas Storage Field in Ohio

<http://ir.nisource.com/releasedetail.cfm?ReleaseID=246519>

Williamson Energy Delaying Development of 5 Million Short Tons/Year Sugar Camp Coal Mine in Illinois

<http://www.platts.com/Coal/News/6389404.xml?p=Coal/News&sub=Coal>

NRC Reaffirms That Above-Ground Storage of Radioactive Waste at the Diablo Canyon Nuclear Power Plant in California is Safe from Terrorism

<http://www.nrc.gov/reading-rm/doc-collections/news/2007/07-067.html>

Progress Energy Deferring Potential Nuclear Construction in North Carolina While it Pursues Conservation Measures

<http://www.platts.com/Nuclear/News/7386666.xml?p=Nuclear/News&sub=Nuclear>

<http://www.progress-energy.com/aboutus/news/article.asp?id=16183>

Chevron Says Australia LNG Export Project Faces Challenges Due to Soaring Costs

http://biz.yahoo.com/rb/070531/chevron_australia.html?.v=1

Energy Exploration Singled Out as Serious Threat to Whales – International Whaling Commission

Reuters, 12:27 May 31, 2007

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>.

Please direct comments and questions to: ead@oe.netl.doe.gov