



ENERGY ASSURANCE DAILY

Monday Evening, August 18, 2008

Major Developments

BP Stalls Oil Shipments along Rail Line through Georgia

Azerbaijan to Employ Unused Bridge, Hopes to Resume Shipments by Tonight

A railway bridge in Georgia blew up August 16, forcing offline an associated rail line and further reducing delivery options for Caspian Sea crude. Both the 1 million b/d Baku-Tbilisi-Ceyhan pipeline and the 150,000 b/d Baku-Supsa pipeline remained down, in addition to the rail line, as of latest reports. The affected rail line stretches from Tbilisi, in Georgia, through Gori, and then splits to three destinations: to the Black Sea ports of Batumi and Poti, and to another site near the Turkey-Georgia border. It can deliver between 50,000 and 70,000 b/d of Azeri crude to Batumi. Despite the shutdown, Azerbaijan's national railroad said it hoped to employ a smaller, currently-unused bridge, and resume rail shipments through Georgia by tonight. Georgia expected to reopen the downed bridge within 10 days, as of yesterday. A shipping agent said on-hand crude stocks at Batumi would be able to substitute for five days of missed deliveries. The Black Sea ports of Supsa and Poti had no tankers scheduled for loading, and the port of Kulevi was loading fuel oil in a tanker, the shipping agent said. Russia, separately, said it began to withdraw troops from Georgia today, August 18.

Reuters, 05:07 August 18, 2008

Reuters, 07:37 August 17, 2008

Bloomberg News, 11:48 August 18, 2008

<http://www.iht.com/articles/ap/2008/08/18/business/EU-Britain-Georgia-Oil.php>

<http://www.reuters.com/article/rbssEnergyNews/idUSLI10285020080818>

<http://www.iht.com/articles/ap/2008/08/18/business/EU-Britain-Georgia-Oil.php>

<http://www.reuters.com/article/rbssEnergyNews/idUSWLA819820080818>

Update: Repairs Underway in Turkey along 1 Million b/d BTC Crude Oil Pipeline

Turkish Energy Minister Says Throughput Could Resume "In a Few Days"

Workers began fixing the fire-damaged Baku-Tbilisi-Ceyhan (BTC) pipeline late Saturday or early Sunday, according to Botas International, which operates BTC's Turkish segment. Turkey's energy minister said today that the pipeline could return to service "in a few days," but both BP—which owns a 30 percent stake in the pipeline—and Botas said it was still too soon to estimate a restart date. An explosion and fire stalled the pipeline earlier this month. Kurdish separatist guerillas alleged responsibility for the attack, but officials expressed doubt that terrorists caused the blast. Turkish investigators conducted and concluded an investigation, but have yet to make public the findings. Turkey's energy minister, however, denied reports of sabotage: "So far there is no evidence of sabotage on the BTC pipeline," he said. The BTC pipeline delivers crude from Baku, Azerbaijan, through Georgia, to Ceyhan on Turkey's Mediterranean coast. The 150,000 b/d Baku-Supsa pipeline remained down, in addition to the BTC pipeline, as of latest reports. Consequently, Caspian Sea crude output remained slashed by about one-third—down from the normal 800,000 b/d—traders said.

<http://uk.reuters.com/article/oilRpt/idUKLI72083620080818>

<http://www.reuters.com/article/rbssEnergyNews/idUSLI10285020080818>

<http://www.iht.com/articles/ap/2008/08/18/business/EU-Turkey-Pipeline.php>

<http://www.easybourse.com/bourse-actualite/bp/btc-oil-pipeline-repairs-began-over-the-weekend-botas-GB0007980591-506682>

<http://www.iht.com/articles/ap/2008/08/18/business/EU-Britain-Georgia-Oil.php>

<http://www.reuters.com/article/rbssEnergyNews/idUSWLA819820080818>

Fire Shuts PG&E's 1,087 MW Diablo Canyon Nuke Unit 2 in California August 17

A transformer failure triggered a fire, causing "considerable damage" and automatically stalling the unit, a spokeswoman said. Responders extinguished the fire within 30 minutes, but the spokeswoman said it was still too soon to estimate when the unit would return to full power. The incident caused no injuries and did not threaten the facility's reactors, she said. The fire started around midnight August 17; PG&E declared an "unusual event," but abandoned that status within two hours. PG&E has another transformer on-site, should the damage require a replacement. The Nuclear Regulatory Commission reported that on the morning of August 16 the unit was operating at full power.

Reuters, 11:04 August 18, 2008

Bloomberg News, 18:44 August 17, 2008

Information also derived from the NRC Power Reactor Status Reports:

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

FPL's 693 MW Turkey Point Nuke Unit 4 in Florida Shut August 15

Florida Power & Light Co. (FPL) halted the unit Friday afternoon after repairs triggered a leak in a small water pipe, a spokesman said. The company did not say when the unit might return to service.

<http://www.palmbeachpost.com/business/content/business/epaper/2008/08/18/0818turkeypoint.html>

Information also derived from the NRC Power Reactor Status Reports:

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

AES's 498 MW Alamosa Gas-fired Unit 5 in California Reduced by August 17

According to the California Independent System Operator, the unit experienced an unplanned curtailment of 348 MW by August 17.

<http://www.caiso.com/unitstatus/data/unitstatus200808171515.html>

Calpine's 376 MW Inland Empire Energy Center Gas-fired Unit 1 in California Shut by August 16

According to the California Independent System Operator, the unit experienced an unplanned shutdown by August 16.

<http://www.caiso.com/unitstatus/data/unitstatus200808081515.html>

Calpine's 337 MW Inland Empire Energy Center Gas-fired Unit 2 in California Reduced by August 16

According to the California Independent System Operator, the unit experienced an unplanned curtailment of 312 MW by August 16.

<http://www.caiso.com/unitstatus/data/unitstatus200808081515.html>

CDWR's 210 MW Pine Flat Hydro Unit in California Shut by August 15

According to the California Independent System Operator, the unit experienced an unplanned outage by August 15.

<http://www.caiso.com/unitstatus/data/unitstatus200808151515.html>

SCE's 1,126 MW San Onofre Nuke Unit 3 in California Ramps up to Full Power August 18

Southern California Edison (SCE) operators slowed the unit to about 65 percent power to work on a feedwater pump August 14. The company returned the unit to full service early today, a spokesman said.

Bloomberg News, 13:31 August 18, 2008

Reuters, 12:08 August 18, 2008

<http://www.caiso.com/unitstatus/data/unitstatus200808151515.html>

Update: TVA's 1,125 MW Watts Bar Nuke Unit 1 in Tennessee Ramped Up to 90 Percent by August 17

Tennessee Valley Authority (TVA) shut the unit August 7 after a feed water system problem. The Nuclear Regulatory Commission reported that on the morning of August 16 the unit was operating at 75 percent.

Reuters, 07:49 August 18, 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: TVA's 1,155 MW Browns Ferry Nuke Unit 1 in Alabama Ramped Up to 75 Percent by August 16

Tennessee Valley Authority (TVA) stalled the unit August 8 after a small steam leak. The Nuclear Regulatory Commission reported that on the morning of August 15 the unit was operating at 40 percent.

Reuters, 07:21 August 18, 2008

Information derived from the NRC Power Reactor Status Reports:

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

TVA's 1,118 MW Browns Ferry Nuke Unit 3 in Alabama at Full Power by August 18

The Nuclear Regulatory Commission reported that on the morning of August 17 the unit was operating at 82 percent.

Information derived from the NRC Power Reactor Status Reports:

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

After Weekend Repairs, PPL's 1,105 MW Susquehanna Nuke Unit 1 in Pennsylvania Ramps Up to 77 Percent by August 18

The company "took the turbine off line to make repairs on a turbine control valve," on August 15, according to a spokesman. PPL was increasing the unit to full capacity, the spokesman said. It reached 77 percent power by this morning, August 18. The Nuclear Regulatory Commission reported that on the morning of August 17 the unit was operating at 20 percent.

Bloomberg News 14:49 August 18, 2008

Information also derived from the NRC Power Reactor Status Reports:

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

Exelon's 867 MW Dresden Nuke Unit 3 in Illinois Ramps up to 99 Percent by August 18

The company shut the unit August 17 to conduct necessary reactor coolant system leak rate verification, according to a U.S. Nuclear Regulatory Commission (NRC) report.

Reuters, 08:54 August 18, 2008

Mirant's 337 MW Contra Costa Gas-fired Unit 7 in California Returns to Service by August 15

According to the California Independent System Operator, the unit ramped up from an unplanned curtailment of 157 MW.

<http://www.caiso.com/unitstatus/data/unitstatus200808151515.html>

TransAlta's 381 MW Keephills Coal-fired Unit 1 in Alberta Shut August 15

Reuters, 9:51 August 18, 2008

Petroleum

NHC Expects Tropical Storm Fay to Miss Offshore Production in Gulf of Mexico Oil Companies Prepare as Storm Moves Toward Florida

Shell evacuated 425 workers from its Gulf of Mexico platforms, and Marathon Oil Corp. evacuated an unspecified number of non-essential employees ahead of Tropical Storm Fay, but both companies said the storm had not affected production. Transocean evacuated 75 employees from two rigs, and said it halted drilling at one. It is unclear how much output that shutdown affected. The Louisiana Offshore Oil Port (LOOP), Anadarko, BP, ExxonMobil and ConocoPhillips said their operations had not been impacted by the storm. Fay made landfall in Cuba August 18, and held maximum winds close to 50 mph, a report said. It should make landfall along Florida's west coast tomorrow.

http://www.rigzone.com/news/article.asp?a_id=65582

http://www.rigzone.com/news/article.asp?a_id=65575

Reuters, 11:38 August 18, 2008

Bloomberg News, 16:28 August 18, 2008

Bloomberg News, 17:10 August 18, 2008

Update: Security Concerns Stunt Repair Efforts along Shell's 130,000 b/d Nembe Creek Trunkline in Nigeria

Shell has made "no real progress" along the 130,000 b/d Nembe Creek trunkline in Nigeria, as "security concerns" hamper repair efforts, a company spokesman said Friday. The company declared force majeure on Bonny Light crude exports through to September after militants sabotaged the pipeline in late July. The militants also claimed responsibility for a separate pipeline attack, but Shell never confirmed any second assault. Shell said previously the attacks had halted about 40,000 b/d of output; the Nigerian National Petroleum Corp., however, said the attack stalled 175,000 b/d. The Shell spokesman said production remained reduced, but did not mention specific figures. Normal Bonny Light output is approximately 400,000 b/d.

<http://www.reuters.com/article/rbssEnergyNews/idUSLF73336420080815>

Update: Alon Shuts SRU and SCOT Unit for 5 Hours at 70,000 b/d Big Spring, Texas Refinery August 16

The company shut a sulfur-recovery unit (SRU) and SCOT unit at 5:15 AM local time, and restarted the units at 10:23 AM, according to a filing with state regulators. The incident did not impact production.

Bloomberg News, 19:40 August 17, 2008

<http://www11.tceq.state.tx.us/occe/eeer/index.cfm?fuseaction=main.getDetails&target=112699>

Update: Gas Shortages at About 12 Gas Stations in Central Okanagan, British Columbia Cat Cracker Repairs Continue at Petro-Canada's 135,000 b/d Edmonton Refinery

According to a Petro-Canada spokesman, as many as 90 gas stations in British Columbia and Alberta could run out of gas as the company continues repairs to a downed catalytic cracking unit at its 135,000 b/d Edmonton refinery. The unit shut August 3, and the company has not estimated when the refinery might return to service. At the time of the shutdown, the rest of the refinery was offline for routine maintenance.

<http://www.canada.com/topics/news/national/story.html?id=e7cbc731-d414-4b9e-8a50-f7f61fc0b0cd>

http://www.bclocalnews.com/okanagan_similkameen/kelownacapitalnews/news/26900704.html

Companies Plan 1.8 Million b/d Deepwater Oil Import Terminal Offshore Texas

Enterprise Products Partners, TEPPCO Partners, and Oiltanking Holding Americas announced on August 18 that they have formed a joint venture to design, construct, own and operate a new Texas offshore crude oil port and pipeline system to facilitate delivery of waterborne crude oil to refining centers along the upper Texas Gulf Coast. The "Texas Offshore Port System" (TOPS) would be the nation's largest deepwater oil import terminal, equipped to ship up to 1.8 million b/d of crude to Texas Gulf Coast refineries. It would have twice the import capacity of the Louisiana Offshore Oil Port (LOOP), and would be just the second U.S. facility outfitted to receive Very Large Crude Carriers (VLCCs), the largest class of oil tankers. It would include 5.1 million barrels of on-site storage capacity, and would also link to storage facilities in Texas City and Port Arthur, Texas through an 85-mile pipeline system.

<http://phx.corporate-ir.net/phoenix.zhtml?c=80547&p=irol-newsArticle&ID=1187998&highlight=>

<http://www.reuters.com/article/rbssEnergyNews/idUSN1843600620080818>

Reuters, 12:12 August 18, 2008

Bloomberg News, 15:37 August 18, 2008

Natural Gas

Nothing to report.

Other News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices			
August 18, 2008			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	113.89	114.44	72.02
NATURAL GAS Henry Hub \$/Million Btu	7.82	8.18	7.14

Source: Reuters

Energy Notes

21,000 PG&E Customers Lose Power in California August 18

http://www.mercurynews.com/breakingnews/ci_10238089

County Authorities Charge Men with Stealing Copper Wiring from KCP&L Substation in Kansas City, Missouri

http://www.kansascity.com/news/breaking_news/story/748809.html

Acid Leak at Holly Corp's 26,000 b/d Woods Cross, Utah Refinery Forces Brief Evacuation, but should not Delay Ongoing, 26-day Maintenance

Bloomberg News, 16:19 August 18, 2008

ConocoPhillips Shuts Unit at 238,000 b/d Linden, New Jersey Refinery No Impact to Production, Company Says

Bloomberg News, 16:35 August 18, 2008

Kinder Morgan Shuts California Pipeline after "False Alarm"

No Impact to Deliveries, Company Says

Bloomberg News, 20:26 August 15, 2008

Blowout Causes Nitrogen Release During "Pressure Testing" at EnCana Oil & Gas Pipeline in Colorado

<http://www.postindependent.com/article/20080818/VALLEYNEWS/442943531/1083&ParentProfile=1074>

Acid Gas Compressor Shut Down at Waha Gas Plant in Texas August 16

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=112697>

Fairborne Energy Sees New 13 MMcf/d Natural Gas Well in Alberta Online by End of September

Reuters, 11:34 August 18, 2008

Williams Receives FERC Approval for Proposed 142,000 Dth/d Sentinel Expansion Project for U.S. Northeast

PRN 11:14 August 18, 2008

Angola to Establish Record 1.98 Million b/d Crude Exports in October—Traders

Reuters, 08:42 August 18, 2008

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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