



ENERGY ASSURANCE DAILY

Tuesday, January 16, 2007

Major Developments

Weekend Ice Storm Knocks Out Power to Over 850,000 Customers from Texas to Maine

On January 13, a winter storm system carrying ice, sleet and freezing rain began causing power outages in the Panhandle area of Texas. The storm then moved northeast over the next two days, knocking out power to thousands of homes and businesses from Texas to New Hampshire. There are currently 262,487 customers in IL, KS, MA, MI, MO, NH, NY, OK, and TX without power as a result of the winter storm. Utilities expect power to be restored to virtually all customers by Wednesday, January 17. See table below.

Customer Outages in Affected States

State	Peak Customers Without Power	Current Customers Without Power	Total Customers in State	Percent Without Power
Illinois	4,000	1,200	4,921,448	0.0%
Kansas	2,100	2,045	1,179,297	0.2%
Massachusetts	4,000	500	2,441,022	0.0%
Michigan	207,000	81,420	4,248,856	1.9%
Missouri	330,000	68,299	2,565,274	2.7%
New Hampshire	38,000	22,000	580,535	3.8%
New York	140,000	44,290	6,513,684	0.7%
Oklahoma	122,000	42,540	1,569,162	2.7%
Texas	6,000	193	8,562,931	0.0%
Total	853,100	262,487	32,582,209	

*Total outages only represent electric power generators listed in this table.

Sources: http://www.ameren.com/AboutUs/adc_newsfull.asp?NewsSeqID=608

<http://www.indianamichiganpower.com/news/outages/viewstorm.asp?stormID=585>

<http://www.consumersenergy.com/welcome.htm>

<http://my.dteenergy.com/main/indexStorm.html>

http://www.ameren.com/AboutUs/adc_newsfull.asp?NewsSeqID=608

<https://networks.aquila.com/eoc/mainoutage.do?jsessionid=DU4ES56Uvee7jTIEQTa79MQIRi62276U21vN1ry6cYeldSwjp3p7!-180335059>

<https://www1.nationalgridus.com/niagaramohawk/storm/OutagesByCounty.aspx>

http://oaec.coop/Latest_News_2.php

<http://www.psoklahoma.com/news/outages/viewstorm.asp?stormID=586>

<http://www.oge.com/systemwatch/>

http://www.dallasnews.com/sharedcontent/dws/news/localnews/stories/DN-weather_16met.ART0.State.Edition1.3e1199e.html

<http://www.cnn.com/2007/WEATHER/01/15/winter.weather.ap/index.html>

<http://www.news-journal.com/news/content/news/stories/01162007Weather.html?cxtype=rss&cxsvc=7&cxcat=7>

http://www.news-gazette.com/news/breaking_story.cfm?storyID=72410

<http://www.woodtv.com/global/story.asp?s=5945039>

http://www.lowellsun.com/local/ci_5023590

http://cbs4boston.com/local/local_story_016085203.html

<http://www.nashuatelegraph.com/apps/pbcs.dll/section?Category=newsblog#200770116014>

http://www.lowellsun.com/local/ci_5023590

<http://www.eia.doe.gov/cneaf/electricity/esr/table6.xls>

Electricity

PJM Says Peak Power Demand Growth to Exceed Generation Over Next Decade

According to PJM Interconnection, the electric system operator for 13 states and the District of Columbia, peak power demand growth will exceed proposed new generating capacity over the next 10 years. PJM said that the situation will be most apparent in Virginia, Washington, DC and Delaware where little new generation has been proposed.

Bloomberg News, 13:44 January 16, 2007

Update: TVA's 1,118 MW Browns Ferry Nuke Unit 2 in Alabama Back at Full Power January 16

The unit, which restarted January 12, shut January 11 after the output breaker opened.

Reuters, 07:06 January 16, 2007

TXU's 750 MW Martin Lake Units 1 and 2 in Texas Back in Service January 16

The company shut Unit 1 on January 15 due to wet fuel issues. The company shut unit 2 on January 13 due to a boiler tube leak.

Reuters, 12:47 January 16, 2007

TXU's 750 MW Monticello Coal-fired Unit 2 in Texas Shut January 15

The company shut the unit to fix a boiler tube leak.

Reuters, 12:57 January 16, 2007

BP-ARCO's 213 MW Watson Cogen Gas-fired Unit in California Shut January 15

Reuters, 08:51 January 16, 2007

Complete's 260 MW LaPaloma Gas-fired Unit 1 in California Shut January 15

Reuters, 08:51 January 16, 2007

Calpine's 250 MW Pastoria Gas-fired Unit in California Shut January 15

Reuters, 08:51 January 16, 2007

Calpine's 320 MW Metcalf Gas-fired Unit in California Shut January 15

Reuters, 08:51 January 16, 2007

Petroleum

Hess Restarts 65,000 b/d Port Reading Refinery in New Jersey January 16 - Sources

Reuters reports that according to trade sources, the 65,000 b/d Hess refinery in Port Reading, New Jersey was restarted over the past weekend. The refinery was shut on January 9 following a small fire in a pump.

Reuters, 08:54 January 16, 2007

Fire Burns Out at Chevron's 243,000 b/d Richmond Refinery in California January 15

A fire in crude unit Number 4 burned for almost nine hours at the 243,000 b/d Chevron refinery in Richmond, California before dying out. Although the extent of damage is not known, the company does not anticipate any impact on production since the unit was about to undergo extensive planned maintenance.

Reuters, 20:54 January 15, 2007

http://biz.yahoo.com/rb/070115/chevron_fire.html?.v=6

<http://biz.yahoo.com/prnews/070115/sfm062.html?.v=77>

ConocoPhillips Has SRU Glitch at 146,000 b/d Borger Refinery in Texas January 14

According to a filing with Texas regulators, the sulfur recovery unit (SRU) at the refinery experienced a glitch attributed to cold weather. The glitch last 10 hours and had no impact on production. Today, a ConocoPhillips spokesman said the refinery was up and running.

Reuters, 13:28 January 16, 2007

Sunoco Reports Heater Fire at 160,000 b/d Toledo Refinery in Ohio January 13

A fire in a crude unit occurred at the Sunoco refinery near Toledo, Ohio on January 13 during a restart. The fire was extinguished by mid-afternoon the same day and according to the company did not affect operations.

OPIS Price Watch Alert, 08:46, January 15, 2007

ExxonMobil Reports Power Glitch at 350,000 b/d Beaumont Refinery in Texas January 12

A number of units were affected by the power glitch including a fluidic catalytic cracking unit, a hydrocracking unit and a coking unit. According to a report filed with state regulators, the incident began at about 4:30 p.m. and lasted for approximately 24 hours. During the disruption, power utilization was analyzed to help minimize the impact on processing.

OPIS Price Watch Alert, 08:46, January 15, 2007

Reuters, 15:03 January 15, 2007

All BP's U.S. Refineries Have Safety Problems - Panel

Today, an independent panel recommended that BP overhaul safety procedures at all five of its U.S. refineries after finding dangerous conditions at the plants. The investigation found that BP emphasized personal safety but neglected process safety risk that could result in major accidents. In a press release, the panel said: "instances of a lack of operating disciplines, toleration of serious deviations from safe operating practices, and apparent complacency toward serious process safety risks existed at each of the U.S. refineries."

Reuters, 12:20 January 16, 2007

<http://www.platts.com/Oil/News/6338720.xml?p=Oil/News&sub=Oil>

Cerro Negro Heavy Oil Project Declares Force Majeure in Venezuela Due to OPEC Cuts

On January 16, heavy crude upgrader Cerro Negro, a joint venture between Exxon Mobil and PdVSA, confirmed that it has declared force majeure as a result of OPEC production cuts ordered by the Venezuelan government. On January 15, Venezuela's energy minister said that the project, located in the Orinoco oil belt, had been unable to meet its supply commitments to the Chalmette Refinery in Louisiana. According to EIA, the Chalmette refinery process about 190,000 b/d. The energy minister said Cerro Negro must cut output by 1.1 million barrels per month.

<http://www.eia.doe.gov/neic/rankings/refineries.htm>

Reuters, 12:32 January 16, 2007

Update: Venezuela to Take 60 Percent Control of Orinoco Oil Belt Projects

Today, Venezuela's energy minister Rafael Ramirez said that state-owned oil company PdVSA would take a 60 percent stake in the country's heavy oil projects in the Orinoco oil belt. Currently, PdVSA controls a 40 percent stake in the projects, which are majority owned by major foreign oil companies including Exxon Mobil, Chevron and ConocoPhillips. Venezuela's heavy oil projects have the capacity to upgrade 600,000 b/d of tar-like crude oil into lighter synthetic crude oil. In an address to parliament on Saturday, President Hugo Chavez said that Venezuela was "almost ready" to take over the Orinoco projects and said the country would not negotiate with the affected companies. He said: "If someone wants to stay on as our partner, then the door is open but if he does not want to stay as our minority partner then hand me the field and good bye."

Reuters, 12:26 January 16, 2007

Reuters, 15:38 January 13, 2007.

Violence in Nigeria Prompts Shell to Evacuate Staff, Operations Unaffected

According to Shell only a skeleton staff remains at two locations in southern Nigeria following attacks that resulted in 12 deaths. Although Shell evacuated its personnel from its two pipeline hubs in the Niger Delta, a company representative commented that the attacks did not appear to be directed against the oil company but instead was an inter-community problem. According to the company, operations have not been affected.

<http://www.chron.com/disp/story.mpl/business/4473626.html>

http://biz.yahoo.com/ap/070116/nigeria_oil_unrest.html?v=2

Some OPEC Members Calling for More Production Cuts, Saudi Arabia Says Further Cuts Unnecessary

<http://www.platts.com/Oil/News/8831159.xml?p=Oil/News&sub=Oil><http://www.marketwatch.com/news/story/crude-tumbles-saudis-play-down/story.aspx?guid=%7B96B1600F%2D62FB%2D4A6A%2DB89C%2D9AA0B31E1013%7D&siteid=yahoo&di>

[st=yahoo](http://www.marketwatch.com/news/story/crude-tumbles-saudis-play-down/story.aspx?guid=%7B96B1600F%2D62FB%2D4A6A%2DB89C%2D9AA0B31E1013%7D&siteid=yahoo&di)

Natural Gas

Connecticut's Congressional Delegation United in Opposition to Proposed LNG Project

In a letter to the Chairman of the Federal Energy Regulatory Commission on January 12, all seven members of the Connecticut congressional delegation stated their opposition to Broadwater Energy LLC's proposed LNG import terminal.

http://www.stamfordadvocate.com/news/local/state/hc-15195150.apds.m0858.bc-ct--lmgjan15_0.3897618.story?coll=hc-headlines-local-wire

Other News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices			
January 16, 2007			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S. \$/Barrel	50.97	55.65	63.92
NATURAL GAS			
Henry Hub \$/Million Btu	6.82	6.15	8.50

Source: Reuters

Energy Notes

Texas Sets Winter Electricity Demand Record January 15

Reuters, 13:05 January 16, 2007

U.N. Warns of 'Looming Crisis' Due to Ethnic Tensions in Iraq's Oil-rich Kirkuk

Reuters, 08:34 January 16, 2007

Union Pacific Reports Record Coal Shipments to Utilities in 2006

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7661921

Canadian Trade Minister Maintains Falling Oil Prices Will Not Negatively Impact Oil Sands Development

Reuters, 01:04 January 16, 2007

Rising Construction Costs Lead Chevron and Shell to Postpone LNG Projects

<http://www.bloomberg.com/apps/news?pid=20601087&sid=aSYsWhu1m6ll&refer=home>

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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