



ENERGY ASSURANCE DAILY

Monday Evening, February 02, 2009

Major Developments

Update: More than 415,000 Customers Remain Without Power across U.S. Midwest after Last Week's Ice Storms

An estimated 415,597 customers were still without power this afternoon, and at least one Kentucky official warned that outages could last for “a couple more weeks,” sources reported. Included in the outages were more than 217,000 Kentucky customers and nearly 120,000 Arkansas customers. The storm has been faulted for at least 16 fatalities, a Kentucky spokesperson said.

U.S. Midwest Customer Outages			
January 27-February 2, 2009			
Electric Utility	State	Peak	Latest Reported
Arkansas Electric Cooperatives	AR	300,000	70,254
Entergy Arkansas	AR	110,324	47,313
AEP SWEPCO	AR	59,000	2,347
Louisville Gas & Electric	KY	205,000	49,000
Kentucky Utilities	KY	199,000	75,000
AEP Kentucky Power	KY	32,372	1,668
Duke Energy	KY	17,445	293
Kentucky Cooperatives	KY	148,071	67,972
Kenergy	KY	40,000	23,712
AEP Ohio	OH	124,118	9,459
Duke Energy	OH	42,626	292
South-Central Power	OH	27,912	1,221
Duke Energy	IN	67,797	70
Vectren Energy	IN	56,000	13,000
Jackson REMC	IN	4,000	0
Missouri Electric Cooperatives	MO	63,000	23,000
Ameren	MO	35,964	11,467
Missouri Public Utilities Alliance	MO	27,000	9,250
Appalachian Power	WV	46,217	187
Allegheny Power	WV	7,644	157
Oklahoma Electric Cooperatives	OK	38,788	9,588
OG&E	OK	10,500	0
AEP Oklahoma	OK	1,500	0
Ameren	IL	11,772	212
Appalachian Power	VA	8,829	0
Knoxville Utilities Board	TN	6,589	0
Allegheny Power	PA	6,310	135
TOTAL*		1,697,778	415,597

*Total outages only represent electric utilities listed in this table.

Sources:

<http://www.cnn.com/2009/US/weather/02/02/winter.weather/index.html>

<http://www.kentucky.com/787/story/680056.html>

Arkansas Electric Cooperatives

<http://www.aecc.com/files/pdf/newsrelease/2009/020209a.pdf>

Entergy Arkansas: <http://www.energy-arkansas.com/outages/ar.aspx>

AEP SWEPSCO:

<http://www.swepco.com/news/outages/viewstorm.asp?stormName=January%2027%20Ice%20Storm>

Kentucky Utilities: <http://www.eon-us.com/storm/default.asp>

Louisville Gas & Electric: <http://www.eon-us.com/storm/default.asp>

AEP Kentucky Power: <http://www.kentuckypower.com/news/outages/>

Duke Energy-Kentucky: <http://www.duke-energy.com/kentucky/outages/current.asp>

Kentucky Electric Cooperatives: <http://psc.ky.gov/ors/OutageReport.aspx>

Kenergy Corp.: <http://psc.ky.gov/ors/OutageReport.aspx>

AEP Ohio: <http://www.aepohio.com/news/outages/default.asp>

Duke Energy-Ohio: <http://www.duke-energy.com/ohio/outages/current.asp>

South-Central Power: http://www.southcentralpower.com/OW/ow_map.aspx?county=0

Duke Energy-Indiana: <http://www.duke-energy.com/indiana/outages/current.asp>

Jackson REMC: <http://www.jacksonremc.com/outages.htm>

Kenergy: <http://www.istockanalyst.com/article/viewiStockNews/articleid/2996435>

Missouri Electric Cooperatives: <http://sema.dps.mo.gov/SitReps/2009/SITREP%2002022009%2012%20pm.pdf>

<http://sema.dps.mo.gov/SitReps/Situation%20Reports.htm>

Ameren Missouri: http://www.ameren.com/Outage/ADC_MissouriOutageInformation.asp

Appalachian Power: <http://www.appalachianpower.com/news/outages/default.asp>

Allegheny Power: http://app.alleghenyenergy.com/outagestatus/OMS_Customer_Option.aspx

Oklahoma Electric Cooperatives:

http://www.ok.gov/OEM/Emergencies_&_Disasters/2009/Winter_Weather_Event_20090126-12.html

OG&E: <http://www.oge.com/systemwatch/>

AEP Oklahoma: <http://www.psoklahoma.com/news/outages/default.asp>

Ameren Illinois: http://www.ameren.com/Outage/ADC_IllinoisOutageInformation.asp

Knoxville Utilities Board: http://www.kgis.org/website/kub_outage/mainpage.htm

Vectren Energy: <http://www.chicagotribune.com/news/chi-ap-in-winterstorm-outag.0,1933026.story>

Electricity

Fire Forces Shut Exelon's 619 MW Oyster Creek Nuke Unit in New Jersey February 1

A transformer fire “resulted in a reactor scram from full power without complications,” according to a notice with the Nuclear Regulatory Commission (NRC). The fire lasted just over a half an hour, and Exelon declared an unusual event after 15 minutes. Only the main transformer sustained damage, the notice said. It was not immediately clear if Exelon could repair the damaged equipment, or if it would need to install a replacement. The NRC reported that on the morning of February 1 the unit was operating at full power.

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

Reuters, 10:13 February 2, 2009

Bloomberg News, 11:50 February 2, 2009

Information also derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2009/>

NPPD's 764 MW Cooper Nuke Unit in Nebraska Reduced to 62 Percent by February 2

The Nuclear Regulatory Commission reported that on the morning of February 1 the unit was operating at 90 percent.

Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2009/>

Unusual Event at Georgia Power's 1,722 MW Hatch Nuclear Power Plant in Georgia January 29

Georgia Power declared an unusual event after “an unisolable pipe break on an in-service waste gas treatment building chiller” led to a “toxic release of asphyxiant Freon gas,” according to a notice filed with the Nuclear Regulatory Commission. The company evacuated all personnel, and the incident caused no injuries.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2009/20090130en.html>

Calpine's 593 MW Metcalf Energy Center Gas-fired Unit in California Ramps up by February 1

According to the California Independent System Operator, the unit ramped up from an unplanned curtailment of 318 MW.

<http://www.caiso.com/unitstatus/data/unitstatus200902011515.html>

Cabrillo Power's 330 MW Encina Gas-fired Unit 5 in California Returns to Service by January 31

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

<http://www.caiso.com/unitstatus/data/unitstatus200901311515.html>

AES's 226 MW Huntington Beach Gas-fired Unit 1 in California Ramps up by January 30

According to the California Independent System Operator, the unit ramped up from an unplanned curtailment of 136 MW.

<http://www.caiso.com/unitstatus/data/unitstatus200901301515.html>

Update: OPG Restarts 211 MW Atikokan Coal-fired Power Plant in Ontario January 31

A December 1 fire forced shut the unit.

Bloomberg News, 13:06 February 1, 2009

TransAlta Shuts, Restarts 280 MW Sundance Coal-fired Unit 1 in Alberta January 30-31

Bloomberg News, 12:50 February 1, 2009

Bloomberg News, 16:44 January 30, 2009

Noble Environmental Power Completes 330 MW of Wind Power Projects in New York

Noble Environmental Power completed its 97.5 MW Altona project, its 106.5 MW Chateaugay park, and its 124 MW Wethersfield facility in Upstate New York, a news source reported.

<http://www.renewableenergyworld.com/rea/news/story?id=54646&src=rss>

APS Files Long-term Plan to Boost Renewable Energy Generation in Arizona

The Arizona Public Service (APS) filed plans with the Arizona Corporation Commission (ACC) to add approximately 1,600 MW of renewable-sourced power generation by 2025, it said in a press release. Renewable sources, according to the plan, would account for 15 percent of APS' energy generation. That would be enough to satisfy about 45 percent of its projected consumption growth. The project could involve constructing up to 1,000 MW of solar power plants.

http://www.aps.com/main/news/releases/release_505.html

Petroleum

Update: USW Union Holds Off on Refinery Strike, but Contract Deal Not in Place

The United Steelworkers (USW) agreed to a rolling 24-hour extension of its current contract, but negotiations continued today between union and industry representatives. The current contract—which officially expired on Sunday—covers employees at 86 refineries, chemical plants, pipelines and terminals. A USW spokeswoman said the sides were “making good progress,” and were “much closer than we were two days ago” to reaching an agreement. The potentially-impacted facilities account for about 60 percent of U.S. refining capacity although a few of these refineries plan to remain open with non-union employees and supervisors. A strike could affect up to 58 percent of the nation's fuel supply workers. The last nationwide such strike occurred in 1980, and stretched about three months.

Reuters, 10:56 February 2, 2009

Bloomberg News, 01:01 February 2, 2009

<http://www.washingtonpost.com/wp-dyn/content/article/2009/02/02/AR2009020200601.html>

http://www.downstreamtoday.com/news/article.aspx?a_id=14930

http://pace5857.com/yahoo_site_admin/assets/docs/US_Refineries.212145416.pdf

Update: BP Completes 16-mile Transit Oil Pipeline in Alaska, Replacing Corroded Line after 2006 Spill

BP completed the pipeline in December 2008, replacing a corroded line that had caused a 265,000-gallon oil spill in 2006. That spill forced BP to slow production at Prudhoe Bay, Alaska in August, 2006; it shut in, cumulatively, about 13 million barrels of oil.

http://www.juneauempire.com/stories/020109/sta_383733866.shtml
<http://www.oe.netl.doe.gov/docs/eads/ead031306.pdf>

BP Restarts Ultraformer at 467,720 b/d Texas City, Texas Refinery February 1

BP restarted the Ultraformer No. 3 on February 1, the company said in a filing with state regulators. Operators took the unit offline in early January to fix a leak. At the time of the shutdown, BP said it expected the work to last about one week.

Reuters, 17:30 February 1, 2009

<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=119418>

Update: Valero Says 45,000 b/d Hydrocracker Returning to Normal Service at 289,000 b/d Port Arthur, Texas Refinery February 2

Valero restarted the 45,000 b/d hydrocracker over the weekend, a spokesman said. Operators were ramping the unit up to planned rates today, he said. Workers took the unit offline last Tuesday, January 27, due to a leak.

Reuters, 12:31 February 2, 2009

Update: Magellan's 135,000 b/d Oklahoma-to-Kansas Osage Oil Pipeline at 80 Percent Capacity February 2

Magellan Midstream Partner's 135,000 b/d Osage oil pipeline remained at reduced capacity on February 2, five days after it restarted from a leak-forced outage, a spokesman said. The line was running at 80 percent of its operating pressure. The January 25 leak spilled an estimated 1,500 barrels of oil, and the subsequent outage stretched until January 28. The Osage line delivers oil 135 miles from Oklahoma to Kansas.

Reuters, 11:27 February 2, 2009

Update: Investigators Say Hydrocarbon Cloud Release to Blame for January 12 Explosion at Silver Eagle Refining 10,250 b/d Woods Cross, Utah Refinery

A large cloud of volatile hydrocarbons released for unknown reasons, triggering an explosion at Silver Eagle Refining's 10,250 b/d Woods Cross, Utah refinery on January 12, according to investigators from the U.S. Chemical Safety and Hazard Investigation Board. The investigators were unsure what caused the release, but said they will continue to search for recent process changes and tank releases or seal issues. The explosion occurred at a storage tank holding almost 440,000 gallons of light naphtha. Four workers were seriously injured.

http://www.clippertoday.com/pages/full_story?page_label=home_top_stories_news&article-Flammable-gas-cloud-identified-as-fire-s-cause%20=&id=1841441-Flammable-gas-cloud-identified-as-fire-s-cause&widget=push&instance=secondary_stories_left_column&open=&

Update: Big West's 66,000 b/d Bakersfield, California Refinery is for Sale, Company Executive and Refinery Spokesman Confirm

Big West may sell its 66,000 b/d Bakersfield, California refinery, a refinery spokesman confirmed last week. It might also work to obtain new financing and/or seek to negotiate with oil suppliers. Big West's parent company, Flying J, declared bankruptcy in December 2008.

http://www.downstreamtoday.com/news/article.aspx?a_id=14915

Update: Total May Postpone Start-up of Planned 100,000 b/d Joslyn Oil Sands Project in Alberta

Total had planned to start the field in 2014. Now, it is "re-analyzing the costs, technology choices, structure of the Joslyn mine project, and also defining a new schedule," it said last week.

<http://www.reuters.com/article/rbssEnergyNews/idUSLS65756820090128>

Assailants Blow up 80,000 b/d Oil Pipeline in Yemen January 29

Unknown assailants attacked and exploded Yemen's primary oil pipeline on January 29, but security sources said the incident had not affected exports. The line delivers about 80,000 b/d of oil from the country's north-central Marib province to an export terminal on the Red Sea.

http://www.monstersandcritics.com/news/business/news/article_1456553.php/Yemens_main_oil_pipeline_blown_up_flow_not_affected

Natural Gas

Leak Forces Shut Enbridge's 600 MMcf/d, 30-inch, 101-mile Nautilus Natural Gas Pipeline in Gulf of Mexico February 1

Enbridge declared force majeure on February 1 after a leak forced shuts its Nautilus natural gas pipeline system. The pipeline shut "at Ship Shoal 207 due to a leak," the company said on its website. "Under initial investigation damage appears to have been done by an anchor being dragged across the system," it said. The Nautilus pipeline delivers natural gas from Ship Shoal Block 207 to interconnects in Louisiana. It will remain shut until further notice, Enbridge said.

Reuters, 13:13 February 2, 2009

Southern Natural Gas Declares Force Majeure on Meter Station Issues in Georgia

Southern Natural Gas declared force majeure as equipment issues rendered it unable "to maintain contract pressure at Dalton #4 Meter Station" in Georgia. It was not clear what impact the incident might have on natural gas deliveries.

<http://ixsnp.sonetpremier.com/ebbSNG/Notices/NoticeView.asp?sPipelineCode=SNG&sSubCategory=C&sNoticeID=27430&sIdentifier=01/30/2009#8>

Williams Files with FERC to Boost U.S. Southeast Natural Gas Deliveries along Transco Pipeline

Williams filed an application with the Federal Energy Regulatory Commission (FERC) to boost shipments along its Transco natural gas pipeline by 308,500 dekatherms per day (Dth/d). The expansion, dubbed the "85 North project," would serve markets in the U.S. Southeast. It would involve construction of about 22 miles of 42-inch pipeline, a new compressor facility in South Carolina, and work on existing compressor facilities. Williams expects to open the project in two phases: a 90,000 Dth/d Phase I by the summer of 2010, and a 218,500 Dth/d Phase II by the summer of 2011.

<http://www.b2i.us/profiles/investor/ResLibraryView.asp?GoTopage=1&BzID=630&Category=1579&ResLibraryID=28252>

Sempra Announces Open Season for up to 2.5 Bcf of Firm, Natural Gas Storage Service in U.S. Southeast

Sempra Pipelines & Storage, a Sempra Energy unit, announced an open season to solicit interest in up to 2.5 Bcf of firm, natural gas storage service from a pipeline-and-storage expansion project, the company said in a release. The associated project would allow for firm receipts and deliveries on the Gulfstream natural gas pipeline system at Coden, Alabama. Sempra cited increased demand in the U.S. Southeast, and particularly in Florida, in its decision to expand service. The open season began today, February 2, and will stretch until February 25. Service would begin in August 2010.

http://public.sempra.com/newsreleases/viewPR.cfm?PR_ID=2333&Co_Short_Nm=SE

Other News

Update: Renew Energy Seeks to Keep 130 MMGal/Yr Aztalan, Wisconsin Ethanol Plant Online Despite Bankruptcy Filing

Renew Energy LLC filed for Chapter 11 Bankruptcy protection, but sought court approval to borrow money and keep its 130 million gallon/year Aztalan, Wisconsin ethanol plant online. The company had already reduced output at the plant.

DJN, 13:40 February 2, 2009

<http://www.farmfutures.com/ME2/dirmod.asp?sid=CD26BEDECA4A4946A1283CC7786AEB5A&nm=News&type=news&mod=News&mid=9A02E3B96F2A415ABC72CB5F516B4C10&tier=3&nid=5855DD24EA3C4F1AB34E08B3AD181A1B>

Energy Prices

U.S. Oil and Gas Prices			
February 2, 2009			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	41.35	46.50	88.97
NATURAL GAS Henry Hub \$/Million Btu	4.77	4.75	8.10

Source: Reuters

Energy Notes

Alon Reports Brief Power Interruption, Flaring at 67,000 b/d Big Spring, Texas Refinery January 30-31

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=119569>

Lost Seal Triggers Flaring at Keystone Gas Plant in Texas January 30

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=119559>

NACEL Energy Plans 10 MW Hedley Point Wind Farm in Texas

<http://finance.yahoo.com/news/NACEL-Energy-Announces-10-MW-prnews-14220535.html>

Update: County Commissioners Pass Resolution Calling for Answers to Environmental Concerns Regarding Palomar Gas Transmission Proposed 217-mile Natural Gas Pipeline through Oregon

http://www.downstreamtoday.com/news/article.aspx?a_id=14918

County Officials Likely to Cancel Contract with Biotek for Planned Ethanol Plant in Minnesota—Company Did not Provide Necessary Financial Data

<http://ethanol-news.newslib.com/story/6938-31015/>

Mechanical Problems at 3,000 Gallon Propane Tanker Force Precautionary Evacuation of Neighborhood on Maui, Hawaii January 28

<http://www.kitv.com/news/18590769/detail.html>

Probe Begins Output at Planned 25-35 MMcf/d South Timbalier Natural Gas Discovery in U.S. Gulf of Mexico—January 30 Source

http://www.rigzone.com/news/article.asp?a_id=72348

Mexico Reopens Dos Bocas, Coatzacoalcos Oil Terminals in Gulf of Mexico February 1, and Cayo Arcas Terminal February 2 after Weather-Related Shutdowns

Reuters, 11:14 February 2, 2009

Update: BHP Billiton Restarts 53,000 b/d Stybarrow Oilfield Offshore Australia February 1 after Cyclone

Reuters, 02:14 February 1, 2009

BP's 200,000 b/d Greater Plutonio Oilfields Offshore Angola Back Online January 30

Bloomberg News, 05:50 February 2, 2009

Domestic Wind Generation Capacity Tops 25 Gigawatts in 2008—U.S. Surpasses Germany as Largest Wind Producer

Bloomberg News, 09:35 February 2, 2009

Kern Oil and Refining Shuts Fuel Pipeline after Leak January 30

Bloomberg News, 19:54 January 30, 2009

ConocoPhillips Reports Spill, Flaring at 80,000 b/d Rodeo, California Refinery January 30

Bloomberg News, 17:09 January 30, 2009

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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