



ENERGY ASSURANCE DAILY

Wednesday Evening, February 04, 2009

Major Developments

Update: More than 275,000 Remain Without Power across U.S. Midwest February 4

An estimated 278,281 customers remained without power in the U.S. Midwest February 4, a little over one week after ice storms cut power to nearly 1.7 million. The following table lists peak outages and restoration figures, based on latest available numbers.

U.S. Midwest Customer Outages			
January 27-February 4, 2009			
Electric Utility	State	Peak	Latest Reported
Arkansas Electric Cooperatives	AR	202,000	56,031
Energy Arkansas	AR	110,324	25,395
AEP SWEPCO	AR	59,000	369
Louisville Gas & Electric	KY	205,000	16,000
Kentucky Utilities	KY	199,000	54,000
TVA	KY	89,000	50,900
AEP Kentucky Power	KY	32,372	0
Duke Energy	KY	17,445	0
Kentucky Cooperatives	KY	148,071	21,511
Kenergy	KY	40,000	24,695
AEP Ohio	OH	124,118	353
Duke Energy	OH	42,626	0
South-Central Power	OH	27,912	5
Duke Energy	IN	67,797	0
Vectren Energy	IN	56,000	5,000
Jackson REMC	IN	4,000	0
Missouri Electric Cooperatives	MO	63,000	15,100
Ameren	MO	35,964	700
Missouri Public Utilities Alliance	MO	27,000	6,200
Appalachian Power	WV	46,217	0
Allegheny Power	WV	7,644	121
Oklahoma Electric Cooperatives	OK	38,788	
OG&E	OK	10,500	0
AEP Oklahoma	OK	1,500	0
Ameren	IL	11,772	162
Appalachian Power	VA	8,829	0
TVA	TN	19,000	1,700
Knoxville Utilities Board	TN	6,589	0
Allegheny Power	PA	6,310	39
TOTAL*		1,707,778	278,281

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

Notes: Shaded cells represent electric utilities that have not posted new outage numbers for over 48-hours.

Sources:

Arkansas Electric Cooperatives: <http://www.aecc.com/files/pdf/newsrelease/2009/020409a.pdf>

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

AEP SWEPCO:

<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/PublicInfo_OutageIncidents.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%2002042009%201200%20pm.pdf>

Ameren Missouri: <http://sema.dps.mo.gov/SitReps/2009/SITREP%2002042009%201200%20pm.pdf>

Missouri Public Utilities: <http://sema.dps.mo.gov/SitReps/2009/SITREP%2002042009%201200%20pm.pdf>

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.kfsm.com/Global/story.asp?S=9771751>

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: [\[media.com/articles/2009/02/04/warricknews/news/doc4989d0e365465476157991.txt\]\(http://www.tristate-media.com/articles/2009/02/04/warricknews/news/doc4989d0e365465476157991.txt\)](http://www.tristate-</p></div><div data-bbox=)

TVA: http://www.tva.gov/news/ice_storm.htm

http://www.thenews.org/ice_storm_hits_murray-1.1317668; http://www.tva.gov/news/ice_storm.htm

<http://www.reuters.com/article/domesticNews/idUSTRE5133VN20090204>

Electricity

TMPA's 462 MW Gibbons Creek Coal-fired Unit in Texas Shut on February 4

Texas Municipal Power Agency (TMPA) shut the unit due to a boiler tube leak.

Reuters, 11:46 February 4, 2009

Update: NPPD's 764 MW Cooper Nuke Unit in Nebraska Ramped Up to 90 Percent by February 4

The company reduced the unit on February 2 for suppression testing to find a possible radioactive leak located in a fuel bundle. The Nuclear Regulatory Commission reported the unit was operating at 66 percent on February 3.

<http://www.reuters.com/article/marketsNews/idUSN0426094220090204>

Information also derived from NRC Power Reactor Status Reports:

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

Update: Exelon's 619 MW Oyster Creek Nuke Unit in New Jersey Ramped Up to 3 Percent by February 4

The unit was shut on February 1 due to a main transformer fire that was extinguished within 20 minutes. An Oyster Creek spokesman said operators plan to run the plant with only one main transformer.

Reuters, 09:10 February 4, 2009

Information also derived from NRC Power Reactor Status Reports:

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

Update: Progress Energy's 834 MW Crystal River Nuke Unit 3 in Florida Ramped Up to 58 Percent by February 4

The unit shut on February 2 for post-maintenance testing following work on a faulty feed water valve. The Nuclear Regulatory Commission reported the unit not operating on February 3.

<http://uk.reuters.com/article/oilRpt/idUKN0425669920090204>

Information also derived from NRC Power Reactor Status Reports:

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

Explosion at We Energies 1,211 MW Coal-fired South Oak Creek Power Plant in Wisconsin, Injures at Least 6 Workers February 3

A silo at the plant exploded on the morning of February 3, sending six workers to local hospitals with severe burns and smoke inhalation. Local fire authorities reported it took over one hour to tame the fire while investigators have not yet determined the cause of the explosion. The plant burns 5,000 to 10,000 tons of coal per day.

http://www.usatoday.com/news/nation/2009-02-03-wisconsin-explosion_N.htm

Fuel-Switching from Coal to Natural Gas Power Generation on Upswing in Texas and Southeast, Calpine CEO Says

During a recent presentation at Credit Suisse's Energy Summit, Calpine CEO Jack Fusco said there will be more fuel switching from coal to natural gas by power generators in Texas and the Southwest due to new climate change policies, a decrease in fuel prices and the benefits of gas-fired combined-cycle power plants.

http://www.calpine.com/CS_Energy_Summit_Presentation.pdf

NGI's Daily Gas Price Index, February 4, 2009 <http://intelligencepress.com/>

Entergy's 530 MW Little Gypsy Gas-fired Plant in Louisiana Planning to Convert to Coal-fired Generation

Entergy is planning to convert the an old inefficient gas-fired plant to burn local coal and petroleum coke and is expecting the Louisiana Department of Environmental Quality to soon issue a construction permit for the Little Gypsy Repowering Project. The company is planning the fuel switch to diversify the state's fuel sources and protect its customers from increased energy bills. Once the company receives the permit from the state environmental board, it must get a permit from the Army Corps of Engineers who indicated no objections to the repowering project. Construction is expected to begin mid-2009, and the plant would be operational in early 2012.

http://www.nola.com/business/index.ssf/2009/02/entergy_poised_to_convert_natu.html

http://pepei.pennnet.com/display_article/293569/6/ARTCL/none/none/1/Entergy-Louisiana-to-Repower-Little-Gypsy-Unit/

Cleco Power Constructing 600 MW Rodemacher Coal-fired Unit 3 at Existing Site in Louisiana

Cleco Power is currently building a \$1B 600 MW unit at its existing Rodemacher Power Station in Louisiana. The new unit will allow the company to burn a variety of solid fuels including petroleum coke and coal. Unit 3 is expected to open in late 2009.

<http://www.cleco.com/site.php?pageID=338>

TransAlta's 280 MW Sundance Coal-fired Unit 2 in Alberta Shut February 4

<http://ets.aeso.ca/>

Petroleum

Update: USW, Refiners Reach Tentative Contract Agreement February 3

The United Steelworkers (USW) union reached a tentative agreement for a new labor pact with refinery and petrochemical plant owners on wages, benefits and working conditions that will become the minimum standards when local union negotiation get underway. A USW spokesperson said details of the pact will not be released until union members have a chance to review the pact. The oil industry contracts, which expired February 1, cover Shell, along with BP, ExxonMobil, Chevron, Amoco, ConocoPhillips and 38 independent refineries. The USW represents about 30,000 workers in the oil industry.

<http://www.platts.com/Oil/News/8333538.xml?p=Oil/News&sub=Oil>

<http://blog.aflcio.org/2009/02/04/steelworkers-reach-tentative-contract-with-shell/>

BP, Husky Put ‘Sunrise’ Oil Sands Project on Hold

Currently in the pre-engineering stage, BP and partner Husky decided recently to delay its planned Sunrise oil sands project in Alberta due to poor economic margins. An official with BPO said further decisions on the project have been pushed back to 2010.

http://www.financialpost.com/magazine/family_finance/story.html?id=1249371

Fire Reported on Abuzar Oil Platform Offshore Iran, Output Halted

According to the ISNA news agency of Iran, a fire on the AB platform in Iran’s offshore Abuzar oilfield has halted production from that field for safety reasons. An oil official there said on February 3 production from the platform has been stopped and experts were investigating the issue, adding staff on the platform has been evacuated. As of most recent report the fire has yet to be controlled and a gas leak is also evident. The oilfield’s production is approximately 200,000 b/d and has been reduced by over 50,000 b/d.

Reuters, 08:46 February 4, 2009

<http://www.zawya.com/Story.cfm/sidANA20090204T132754ZIUU76/Iranian%20offshore%20oil%20platform%20on%20fire>

Natural Gas

Rockies Express Pipeline Files with FERC for 400,000 Dt/d Colorado Expansion

The Rockies Express Pipeline filed for authorization from the Federal Energy Regulatory Commission (FERC) to add capacity to its pipeline segment between the Cheyenne and Meeker gas hubs in Colorado. If granted, capacity would increase by 200,000 Dt/d from Meeker Hub to Wamsutter Hub, as well as another 200,000 Dt/d from Wamsutter to Cheyenne Hub in Colorado.

<http://www.platts.com/Natural%20Gas/News/8333533.xml?p=Natural%20Gas/News&sub=Natural%20Gas>

Wyoming and Utah Report Drop in Oil and Gas Drilling Permits

The economic recession and falling oil and gas prices are being blamed for the drop off in drilling throughout Wyoming and Utah. According to recent numbers released by the Wyoming Oil and Gas Conservation Commission, it issued 28 percent more drilling permits in January 2008 than in January 2009. Utah as well is experiencing a shortfall in drilling activity with the number of drilling rigs operating statewide down 23, the Utah Division of Oil, Gas and Mining said.

<http://finance.yahoo.com/news/Wyoming-drilling-permits-take-apf-14248124.html>

<http://finance.yahoo.com/news/Drillers-cutting-back-in-apf-14241849.html>

Other News

MGP Ingredients Inc to Exit Ethanol Production Business

MGP Ingredients Inc. announced February 3 it plans to leave the fuel grade alcohol business effective immediately. The decision principally affects MGPI’s distillery in Perkin, Illinois, requiring layoffs of 79 workers. In November, the company announced it intended to curtail fuel grade alcohol production at the Perkin plant until market conditions become more favorable; however it has since reversed that decision. Approximately 85 to 90 percent of the Perkin distillery’s total available production capacity of 90 MMGal/yr was dedicated to fuel grade alcohol, with the remainder dedicated to food grade alcohol.

<http://www.mgpingredients.com/news/news020309.htm>

Ambre Energy Plans \$375M Coal Plant in Southeastern Montana to Produce Coal and Synthetic Crude Oil

The Australian company announced plans for a new coal plant to be built in southeastern Montana that would process coal and produce up to 4.4 MM tons/yr of lower moisture, higher energy content coal; in addition the plant would process coal and produce 1.6 MMbbls/yr of synthetic crude from it. Construction on the project would begin in 2010. Completion of the plant is projected for the second quarter of 2011.

<http://www.greatfallstribune.com/article/20090203/NEWS01/90203024/1002/rss>

Energy Prices

U.S. Oil and Gas Prices			
February 4, 2009			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	40.96	41.91	90.64
NATURAL GAS Henry Hub \$/Million Btu	5.04	4.76	7.88

Source: Reuters

Energy Notes

Update: License Renewal Vote Postponed for Exelon's Oyster Creek Nuclear Plant in New Jersey, NRC Says

Bloomberg News, 12:10 February 4, 2009

BP Reports Unplanned Flaring at 265,500 b/d Carson, California Refinery

Bloomberg News, 12:04 February 4, 2009

Devon Energy to Cut 2009 Exploration and Production Budget by Half on Falling O&G Prices, CEO Says

Reuters, 11:40 February 4, 2009

Unidentified Units Shut at Tilden Gas Plat in Texas, Emissions Reported February 4

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=119701>

Kentucky Utilities to Pay \$1.4M EPA Fine for 2007 Clean Air Act Violations

<http://uk.reuters.com/article/governmentFilingsNews/idUKN0353826920090203>

Attempted Copper Wire Theft Leaves 3,100 Blue Ridge Electric Cooperative Customers Without Power in South Carolina February 4

<http://www.wyff4.com/news/18641435/detail.html>

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.

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<http://www.oe.netl.doe.gov/ead.aspx>

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