



# ENERGY ASSURANCE DAILY

Wednesday Evening, February 06, 2008

## **Major Developments**

### **Strong Winds and Tornadoes Sweep Through Midwest and South; Leaving Over 260,000 Customers without Power-- Gas Pipeline Explodes in Tennessee, February 4-5**

Severe thunderstorms and tornadoes moved through much of the Midwest and southeast last night and this morning causing widespread power outages and transmission line damage. Hardest hit was Kentucky, which had over 100,000 customers without power. Over 65,000 were reported to have lost electricity in Arkansas. Tennessee was hit by severe thunderstorms and tornadoes, leaving over 45,000 customers without power.

Entergy reported that a 500-kV transmission line which connects the Arkansas Nuclear One power plant to the grid in Arkansas was knocked out. As a result, operators reduced the output of the 527 MW plant to 37 percent of capacity. In Tennessee, TVA reported that 12 transmission lines were damaged and were taken out of service.

Columbia Gulf Transmission Company declared a force majeure after a tornado struck its Hartsville Compressor Station in Tennessee causing an explosion. The company reported in an information posting that no gas was flowing through this portion of the pipeline, and were awaiting damage assessments to determine when the pipeline would be placed back into service.

A Valero spokesman reported that the company's Memphis refinery was "not impacted" by the inclement weather.

<b>Southern Storms Customer Power Outages</b>			
February 5-6, 2008			
<b>Electric Utility</b>	<b>State</b>	<b>Peak</b>	<b>Latest Reported</b>
Kentucky Utilities	KY	66,000	28,000
Louisville Gas & Electric	KY	10,000	5,300
Nolin RECC	KY	10,000	400
Windstream Kentucky East	KY	4,600	4,600
Blue Grass Energy Cooperative	KY	4,029	4,029
Owen Electric Cooperative	KY	3,803	3,803
Salt River Electric Cooperative	KY	2,675	2,675
Shelby Electric Cooperative	KY	1,000	1,000
Duke Energy	KY	1,437	368
Entergy	AR	40,000	22,000
Petit Jean Electric Cooperative	AR	20,000	20,000
First Electric Cooperative	AR	7,000	7,000
Memphis Light, Gas, and Electric	TN	20,000	20,000
Jackson Energy Authority	TN	8,000	8,000
Tri-County EMC	TN	5,000	5,000
SW Tennessee Electric	TN	4,000	4,000
Meriwether Lewis Electric	TN	3,500	3,500
Nashville Electric Service	TN	1,327	197
Duke Energy	IN	22,146	4,441
South-Central Power	OH	5,049	627
Duke Energy	OH	12,587	6,826
Entergy	MS	4,400	4,400
Norris Electric	IL	3,000	3,000
Sand Mountain Electric Cooperative	AL	1,500	1,500
AEP SWEPCO	LA	1,000	0
<b>TOTAL*</b>		<b>268,053</b>	<b>160,666</b>

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

Sources:

<http://psc.ky.gov/ors/OutageReport.aspx>  
<http://www.eon-us.com/storm/default.asp>  
<http://www.wapt.com/news/15231750/detail.html>  
<http://www.myfoxmemphis.com/myfox/pages/News/Detail?contentId=5694708&version=2&locale=EN-US&layoutCode=TSTY&pageId=3.2.1>  
<http://www.pbcommercial.com/articles/2008/02/05/ap-state-ar/d8ukjgro0.txt>  
<http://www.commercialappeal.com/news/2008/feb/05/roof-blows-across-paul-barret-injures-three-motori/>  
<http://www.jacksonsun.com/apps/pbcs.dll/article?AID=/20080206/NEWS01/802060331>  
<http://www.nespower.com/OutageMap/>  
<http://www.kentucky.com/601/story/309870.html>  
<http://www.courier-journal.com/apps/pbcs.dll/article?AID=/20080206/NEWS01/80206012>  
<http://www.newsenrpriseonline.com/articles/2008/02/06/news/news00.txt>  
<http://www.duke-energy.com/indiana/outages/current.asp>  
<http://www.duke-energy.com/ohio/outages/current.asp>  
[http://www.southcentralpower.com/OW/ow\\_map.aspx?county=0](http://www.southcentralpower.com/OW/ow_map.aspx?county=0)  
[http://www.newschannel9.com/news/tva\\_966239\\_article.html/power\\_service.html](http://www.newschannel9.com/news/tva_966239_article.html/power_service.html)  
<http://commercialappeal.com/news/2008/feb/06/mlgws-damaged-infrastructure-could-take-weeks-repa/?partner=yahoo>  
[http://www.tribstar.com/news/local\\_story\\_037110511.html](http://www.tribstar.com/news/local_story_037110511.html)  
<http://www.whnt.com/global/story.asp?s=7831482>  
[http://www.newschannel9.com/news/tva\\_966239\\_article.html/power\\_service.html](http://www.newschannel9.com/news/tva_966239_article.html/power_service.html)  
<https://www.columbianavigator.com/Ebb/>  
<http://www.wsmv.com/weather/15225132/detail.html>  
<http://www.tnema.org/>

Bloomberg News, 10:37 February 6, 2008

Reuters, 11:08 February 6, 2008

### **Shell Declares Force Majeure on Bonny Light Crude Shipments in Nigeria February 6**

Shell has declared a force majeure through February 7 on shipments of its Bonny Light crude oil in Nigeria citing security concerns and the inability to progress with repairs to a pipeline along the Nembe Creek trunkline, trade sources and company representatives said on Wednesday. One Shell official was quoted as saying the "security situation has seriously impacted repairs."

Reuters, 11:51 February 6, 2008

Bloomberg News, 12:22 February 6, 2008

## ***Electricity***

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### **Entergy's 836 MW Arkansas Nuclear Nuke Unit 1 in Arkansas Reduced to 37 Percent February 6**

The 836 MW unit was reduced early this morning at the Arkansas Nuclear One power station after a tornado damaged power lines near the plant, an Entergy representative said. The Nuclear Regulatory Commission reported that on the morning of February 5 the unit was operating at full power. (For additional information on storm damage and outages see Major Developments above.)

Information also derived from the NRC Power Reactor Status Reports:

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

<http://www.reuters.com/article/rbssIndustryMaterialsUtilitiesNews/idUSN0641137020080206>

### **Update: Exelon's 1,093 MW Peach Bottom Nuke Unit 3 in Pennsylvania Shut by February 6**

The Nuclear Regulatory Commission reported that on the morning of February 5 the unit was operating at 37 percent. Information derived from the NRC Power Reactor Status Reports:

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

### **FirstEnergy's 882 MW Davis-Besse Nuke Unit in Ohio Shut by February 6**

The unit shut down because of vibration on a generator, a company representative said. The Nuclear Regulatory Commission reported that on the morning of February 5 the unit was operating at 18 percent. Information also derived from the NRC Power Reactor Status Reports:

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

Bloomberg News, 11:52 February 6, 2008

### **ATCO's 368 MW Battle River Coal-fired Unit 5 in Alberta Shut February 5**

Reuters, 8:38 February 6, 2008

### **OPG's 490 MW Nanticoke Coal-fired Unit 5 in Ontario Shut February 6**

The unit shut for short work and a company representative did not say when the unit would exit the outage.

Reuters, 08:32 February 6, 2008

### **TVA's 1,125 MW Watts Bar Nuke Unit 1 in Tennessee Reduced to 70 Percent by February 6**

The unit was reduced after a valve opened on the non-nuclear side of the plant. The Nuclear Regulatory Commission reported that on the morning of February 5 the unit was operating at full power. Information also derived from the NRC Power Reactor Status Reports:

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

Bloomberg News, 10:25 February 6, 2008

### **Update: Luminant's 793 MW Martin Lake Coal-fired Unit 2 in Startup Mode in Texas February 6**

According to a filing with state regulators, the unit shut on February 5 and is currently in start-up mode following boiler feed pump vibration repairs.

<http://www2.tceq.state.tx.us/ee/main/index.cfm?fuseaction=getDetails&target=103266>

### **Update: Exelon's 1,022 MW Clinton Nuke Unit in Illinois Ramped Up to 29 Percent by February 6**

The Nuclear Regulatory Commission reported that on the morning of February 5 the unit was operating at 1 percent. Information derived from the NRC Power Reactor Status Reports:

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

### **Update: Indiana-Michigan Power's 1,000 MW D.C. Cook Nuke Unit 1 in Michigan Ramped Up to 48 Percent by February 6**

The company shut the unit on February 2 due to high turbine vibration. The Nuclear Regulatory Commission reported that on the morning of February 5 the unit was operating at 17 percent. Information also derived from the NRC Power Reactor Status Reports:

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

Reuters, 07:31 February 6, 2008

### **Update: Exelon's 855 MW Quad Cities Nuke Unit 1 in Illinois Ramped Up to 97 Percent by February 6**

The Nuclear Regulatory Commission reported that on the morning of February 5 the unit was operating at 85 percent. Information derived from the NRC Power Reactor Status Reports:

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

### **Update: DTE's 1,089 MW Fermi Nuke Unit 2 in Michigan at Full Power by February 6**

The Nuclear Regulatory Commission reported that on the morning of February 5 the unit was operating at 85 percent. Information derived from the NRC Power Reactor Status Reports:

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

### **Update: FPL's 1,155 MW Seabrook Nuke Unit 1 in New Hampshire at Full Power by February 6**

The Nuclear Regulatory Commission reported that on the morning of February 5 the unit was operating at 76 percent. Information derived from the NRC Power Reactor Status Reports:

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

### **Update: FPL's 510 MW Point Beach Nuke Unit 1 in Wisconsin at Full Power by February 6**

The unit lost off-site power on January 15, forcing FPL to shut the unit and declare an unusual event. The Nuclear Regulatory Commission reported that on the morning of February 5 the unit was operating at 30 percent.

Information also derived from the NRC Power Reactor Status Reports:

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

Reuters, 07:33 February 6, 2008

### **ATC's 345 kV 220-mile Arrowhead-Weston Transmission Line Energized February 5**

American Transmission Co. (ATC) energized the completed 220-mile, 345-kilovolt Arrowhead- Weston transmission line linking Wausau, Wisconsin and Duluth, Minnesota. The Arrowhead-Weston transmission line has a capacity of approximately 600 to 800 MW. Construction was completed 7 months early enabling the line to be energized 4 months ahead of schedule.

<http://www.atcllc.com/documents/ArrowheadWestonenergizedNewsReleaseandFacts.pdf>

### **Otter Tail Power Company Announces Plan for 60-Mile 230 kV Transmission Line**

Otter Tail Power Company and Minnkota Power Cooperative notified the North Dakota Public Service Commission February 6 of their intention to apply for a permit to build a 60-mile 230 kV transmission line with service from Luveme, North Dakota to the Maple River substation in Fargo, North Dakota. The proposed line would be capable of carrying 400 MW and is intended to move electricity from various proposed wind projects in North Dakota.

<http://www.fergusfallsjournal.com/news/2008/feb/06/otter-tail-minnkota-plan-generator-plant/>

## ***Petroleum***

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### **Total Halts 280,000 boe/d Output at its Elgin/Franklin Oilfield in North Sea February 6**

A company representative confirmed that Total shut its Elgin/Franklin fields in the North Sea for repair work on a gas processing unit among other technical issues.

Reuters, 08:54 February 6, 2008

### **Alon to Cut Throughput at its 54,000 b/d Paramount Refinery and 34,000 b/d Long Beach Refinery in California, Cites Poor Margins as Cause**

According to Alon USA CEO, the company has decided to cut refinery throughput by half at its two California refineries citing weak margins, particularly for asphalt. No other details were provided.

<http://www.platts.com/Oil/News/6754572.xml?p=Oil/News&sub=Oil>

### **Update: FCCU Restarted at Shell's 156,000 b/d Martinez Refinery in California February 5**

The 73,000 b/d fluidic catalytic cracking unit (FCCU) was shut on January 18 for unplanned work. Trade sources confirm that gasoline-producing FCC unit has completed its restart.

Reuters, 14:23 February 6, 2008

### **Update: Alkylation Unit Remains Shut Gary Williams' 54,000 b/d Wynnewood, Oklahoma Refinery February 5**

The unit was shut following a February 1 furnace fire.

Reuters, 16:11 February 5, 2008

### **Update: Canadian Oil Sands Trust Resumes Production of 180,000 b/d at its Syncrude Facility in Alberta February 5**

On January 29, Canadian Oil Sands announced that operation of several of its units at the Syncrude facility were disrupted following instrument freeze-ups as a result of extremely cold weather. Crude oil production from the Syncrude facility has resumed at rates of approximately 180,00 b/d while Syncrude is working on bringing the remaining units back up.

[http://www.downstreamtoday.com/News/Articles/200802/Syncrude\\_Resumes\\_Ops\\_8512.aspx](http://www.downstreamtoday.com/News/Articles/200802/Syncrude_Resumes_Ops_8512.aspx)

### **Update: DOE Secretary Bodman Says DOE Could Add 125,000 b/d to SPR in May – September by Buying Oil, Royalty In-kind Deliveries**

Reuters, 09:24 February 6, 2008

### **U.S. Gasoline and Crude Stocks Increase to Highest Amount in 14 Years – EIA**

According to a recent report from the Energy Information Administration (EIA), U.S. gasoline stocks rose to their highest level in approximately 14 years even as refiners reduce crude oil processing rates. Crude oil supplies increased by 7 million barrels to 300 million barrels as refinery utilization fell to 84.3 percent of capacity.

Reuters, 11:13 February 6, 2007

### **Alberta's Oil Sands Rising Costs and Pending Regulatory Changes Pose Problems for Smaller Companies**

Labor shortages, tax increases, escalating costs and the threat of tighter environmental laws are all problems facing companies interested in participating the developing resources estimated to at 174 billion bbl, second only to Saudi Arabia. While large multinational corporations can better handle the problems, uncertainty over regulations, rising local opposition and costs that have soared to a level two-to-three times higher than in the late 1990s are leading some to reconsider plans.

[http://www.downstreamtoday.com/News/Articles/200802/Oil\\_Sands\\_Are\\_Shifting\\_In\\_Alberta\\_8500.aspx](http://www.downstreamtoday.com/News/Articles/200802/Oil_Sands_Are_Shifting_In_Alberta_8500.aspx)

### **Iran Announces \$18 Billion Upgrade Program to Build New Refineries, Upgrade Existing Refineries**

Iran's director of refining affairs announced plans to spend a total of \$18 billion to build three new refineries in the country, increasing refining capacity from 1.6 million b/d to approximately 3 million b/d. The investment also intends to expand and upgrade its existing refineries over the next four years.

<http://www.platts.com/Oil/News/8514139.xml?p=Oil/News&sub=Oil>

## ***Natural Gas***

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### **Maritimes and Northeast Pipeline Plans 170,000 Dth/d Expansion**

Maritimes and Northeast Pipeline, which runs from New England to Nova Scotia via New Brunswick, aims to spend \$240 million on an expansion to accommodate gas production from EnCana Corp's new Deep Panuke project off Canada's Atlantic coast. Maritimes & Northeast Pipeline have signed a deal with EnCana to ship 170,000 Dth/d and an additional 30,000 in the winter. The new capacity is expected to be in place in late 2010.

<http://www.reuters.com/article/rbssEnergyNews/idUSN0520591020080205>

## ***Other News***

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### **NRC'S Proposed 2009 Fiscal Budget to Focus on Increased Oversight of Nuclear Plants, Materials and New Reactors**

The Nuclear Regulatory Commission (NRC) released its proposed Fiscal Year 2009 budget to Congress, requesting \$1.02 billion to regulate nuclear power plants and other users of nuclear materials to protect people and the environment. The budget includes \$786.6 million for nuclear reactor safety, \$221.3 million for nuclear, materials, and waste safety and \$9 million for the Inspector General.

<http://www.nrc.gov/reading-rm/doc-collections/news/2008/08-022.html>

## **Update: Houston Ship Channel Reopens, Operations Normal February 6**

According to the U.S. Coast Guard, ships were moving in both directions on the Houston Ship Channel on the afternoon of February 5 after an overnight fog prevented about 40 vessels from using the waterway.

Reuters, 08:34 February 6, 2008

Reuters, 16:12 February 6, 2008

## **Energy Prices**

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<b>U.S. Oil and Gas Prices</b>			
February 6, 2008			
	<b>Today</b>	<b>Week Ago</b>	<b>Year Ago</b>
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	87.01	91.77	58.89
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	7.80	8.10	8.29

Source: Reuters

## **Energy Notes**

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### **OGE Enogex Completes 22-Mile First Phase of New Pipeline Project in Woodford Shale in Oklahoma February 5**

<http://phx.corporate-ir.net/phoenix.zhtml?c=106374&p=IROL-singlerelease&t=NewsRelease&id=1104661>

### **USBioDiesel Group LLC Plans to Open Texas Biofuel Production Plant in May 2008**

[http://www.downstreamtoday.com/News/Articles/200802/USBioDiesel\\_to\\_Open\\_Production\\_Plants\\_in\\_8509.aspx](http://www.downstreamtoday.com/News/Articles/200802/USBioDiesel_to_Open_Production_Plants_in_8509.aspx)

### **Update: Southwest Power Pool Approves ITC Great Plains's 2008-20017 Transmission Expansion Plan, Includes Two New High-Voltage Transmission Projects**

PRNewswire, 09:00 February 6, 2008

### **Atmos Energy Files with FERC for Three 5-Billion c/f Natural Gas Storage Caverns in Louisiana**

### **Update: CNX Marine Coal Terminal in Maryland Reopens After Repairs February 5**

Reuters, 17:01 February 5

### **Coskata Biofuel Company Announces Plans to Build Cellulose-based Ethanol Producing Plant in Illinois**

Reuters, 12:23 February 6, 2008

### **Update: Iraqi Kirkuk Oil Exports to Turkey's Ceyhan Port Resume February 6**

Reuters, 02:44 February 6, 2008

### **Nigerian Oil Delta Rebels Announce Return to Peace Talks with Government**

Reuters, 11:31 February 6, 2008

### **Iraq Crude Exports Up 1.83 Million b/d in January**

Reuters, 04:25 February 6, 2008

**Turkey's Bosphorus Strait Reopens to Southbound Traffic After Fog February 6**  
Bloomberg News, 05:02 February 6, 2008

**ExxonMobil's Sakhalin-1 Project in Russia will cut Annual Output by 25 Percent in 2008**  
Reuters, 03:35 February 6, 2008

**Update: StatoilHydro Restarts Njord A Oil Platform Production After Fire February 5**  
[http://www.rigzone.com/news/article.asp?a\\_id=56334](http://www.rigzone.com/news/article.asp?a_id=56334)

## Links

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***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](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](mailto:ead@oe.netl.doe.gov)