



ENERGY ASSURANCE DAILY

Thursday Evening, February 06, 2014

Major Developments

Update: Over 500,000 Customers Remain Without Power February 6 After Strong Winter Storms Hit Mid-Atlantic February 4–5

As of 3:30 p.m. Eastern Time today, 506,672 customers remained without power in the Mid-Atlantic after a winter storm dumped more than a foot of snow across parts of the region on Tuesday and Wednesday. In total, the winter storm knocked out power to 1.1 million customers. In Pennsylvania, the hardest hit state, tree limbs heavy with ice crashed down on power lines across the eastern and central parts of the state. PECO said based on the conditions and damages so far, it will be able to restore service to most customers in the next few days, however, some customers in more heavily damaged areas could be without service into the weekend. Late Wednesday, Pennsylvania Governor Tom Corbett issued a disaster emergency proclamation allowing state agencies to use all available resources and personnel to cope with the storm damage. AccuWeather said another storm system could sweep across the region Saturday and Sunday.

Mid-Atlantic Customer Power Outages			
February 6, 2014			
Electric Utility	State	Peak	Latest Reported
LG&E/Kentucky Utilities	KY	22,600	724
FirstEnergy	MD	52,392	22,915
Baltimore Gas & Electric	MD	91,327	32,003
PSEG	NJ	33,591	2,140
FirstEnergy	PA	89,356	41,724
PECO	PA	715,000	391,935
PPL Electric	PA	62,300	13,737
FirstEnergy	WV	39,000	1,494
TOTAL*		1,105,566	506,672

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

Sources:

<http://stormcenter.lge-ku.com/default.html>

<http://outages.firstenergycorp.com/mdwv.html>

<http://outagemap.bge.com/>

http://www.pseg.com/home/customer_service/outage_info/outagemap.jsp

<http://outages.firstenergycorp.com/pa.html>

<https://www.peco.com/CustomerService/OutageCenter/OutageMap/Pages/OutageMap.aspx>

<https://www.pplelectric.com/my-account/outage-center/outage-map.aspx>

<http://outages.firstenergycorp.com/mdwv.html>

<http://finance.yahoo.com/news/900-000-customers-lose-power-142924985.html>

<http://www.accuweather.com/en/weather-news/power-storm-electric/23004343>

<http://www.usatoday.com/story/news/nation/2014/02/06/storm-power-outages-pennsylvania/5251161/>

<http://abclocal.go.com/wpvi/story?section=news/local&id=9420173>

<https://www.peco.com/News/NewsReleases/Pages/ECOWorkingtoRestoreServiceAfterSecondWorstStorminCompanyHistory.aspx>

April 2013 Attack on PG&E's Metcalf Substation in California was Terrorism – Former FERC Chairman

Former Federal Energy Regulatory Commission (FERC) chairman Jon Wellinghoff said he believes the April 16, 2013 attack at Pacific Gas and Electric Company's Metcalf transmission substation near San Jose, California, was terrorism. Wellinghoff, who was in office during the incident, said he reached his conclusion after consulting with Defense Department experts to review the attack that involved snipping AT&T fiber-optic lines to knock out phone and 911 service. In addition, shots were fired into a PG&E substation, knocking out 17 giant transformers that transmit power to Silicon Valley. Electric-grid officials rerouted power and made repairs, and no one has been arrested in connection with the attack. The FBI is still investigating but says there is no indication it was an act of terrorism. Wellinghoff said he was speaking out because he's concerned the grid is not being adequately protected. http://online.wsj.com/news/article_email/SB10001424052702304851104579359141941621778-1MyQjAxMTA0MDAwNDEwNDQyWj
<http://www.kmph.com/story/24646286/former-federal-official-attack-was-terrorism>

New England Power Plant Closings Hurting Power Supply, Driving Up Prices – ISO-New England

The retirement of several power plants in New England is reducing power supply and driving up prices, ISO-New England warned on Wednesday. Major oil, coal, and nuclear power plants to be retired by June 1, 2017, include Brayton Point and Salem Harbor in Massachusetts and Vermont Yankee in Vermont. A regional auction to buy power for 2017 and 2018 in so-called capacity markets ended with a shortfall in megawatts for electricity used by businesses and homes, ISO-New England said. In the auction that ended Monday, ISO secured a commitment of 33,700 MW, off from 33,855 MW of capacity required. The deficit in megawatts available is a first for New England, which has had a surplus in megawatt capacity since the forward capacity market was established in 2006. <http://www.ledger-enquirer.com/2014/02/05/2935696/regions-power-plant-closings-seen.html#storylink=cpy>

Entergy's 813 MW FitzPatrick Nuclear Unit in New York Reduced to 50 Percent by February 6

On the morning of February 5 the unit was operating at full power, according to the Nuclear Regulatory Commission. <http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2014/>

Energy Northwest's 1,107 MW Columbia Nuclear Unit in Washington Reduced to 47 Percent by February 6

On the morning of February 5 the unit was operating at full power, according to the Nuclear Regulatory Commission. <http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2014/>

Blythe Energy, LLC's 493 MW Blythe Gas-fired Unit in California Shut by February 5

The unit entered an unplanned outage. <http://content.aiso.com/unitstatus/data/unitstatus201402051515.html>

Petroleum

Update: Increase in Midwest Propane Stocks due to Movements from Gulf Coast – EIA

The unexpected build of 771,000 barrels in U.S. Midwest (PADD 2) propane stocks for the week ended January 31 is due to more propane moving into the region from the U.S. Gulf Coast (PADD 3) instead of being exported to Europe or Asia, according to Robert Merriam, manager of the U.S. Energy Information Administration's Weekly Petroleum Report. Yesterday EIA reported that Midwest stocks stood at 9.6 million barrels as of the week ended January 31. Prior to last week, stocks had declined every week throughout the winter heating season. Spot propane prices at the Midwest supply hub in Conway, Kansas, have been trading at a premium to prices in the Gulf Coast hub in Mont Belvieu, Texas. The U.S. Midwest region has been experiencing a propane shortage due to a colder-than-normal winter, two extended cold snaps since January, and a number of other supply and demand factors. <http://www.platts.com/latest-news/oil/houston/us-eia-says-midcontinent-propane-build-from-more-21174207>

CN Rail, Union Reach Deal to Avoid Strike and Potential Crude Oil Shipment Delays February 5

Canadian National Railway Co. (CN Rail) reached a deal with the Teamsters Canada Rail Conference on Wednesday to avert a strike by conductors and yard workers after the Canadian government said it would use back-to-work legislation to keep the country's biggest railway operating. The Teamsters Canada Rail Conference gave notice earlier in the day that it intended to strike as soon as Saturday after members voted against a tentative agreement with CN Rail. A work stoppage by about 3,000 conductors, train and yard workers would have disrupted a vast cross-country network that ships goods ranging from lumber and crude oil to grains and automobiles. A strike would have greatly affected crude oil being shipped by rail. CN Rail said it shipped nearly 25,000 carloads of crude in its recently reported fourth quarter and 75,000 for the full year.

<http://www.reuters.com/article/2014/02/05/cnrail-union-idUSL2N0LA1Z420140205>

Natural Gas

Henry Hub Spot Prices Spike to \$7.91 February 5, Highest Price in Five Years

On Wednesday, trades for Thursday delivery of natural gas at the Henry Hub in Louisiana averaged \$7.91 per MMBtu, according to the Intercontinental Exchange (ICE), the highest average price in over five years. Henry Hub gas traded as high as \$8.40 earlier in the day. Early Thursday, gas for Friday delivery at Henry Hub traded as high as \$9 per MMBtu, traders said.

<http://www.reuters.com/article/2014/02/05/markets-nymex-natgas-idUSL2N0LA0UV20140205>

Freezing Weather Hurting Chesapeake Energy's Natural Gas Output

Chesapeake Energy Corp's daily oil and gas output in December was well below its expectations due to "weather challenges" that continued into January and February, the company's chief executive told analysts on a conference call on Thursday. Chesapeake Energy is the second largest natural gas producer in the U.S. The company's fourth-quarter 2013 and first-quarter 2014 production will be affected by the icy conditions that hampered some of the company's operations, but output should "ramp up" on a sequential basis in the second quarter, the executive said. On Tuesday, Anadarko Petroleum Corp said on a conference call that company's operations in Colorado were finally returning to normal after production at its Wattenberg field was disrupted by flooding in the fall of 2013 and by freezing conditions during the recent polar vortex.

<http://www.reuters.com/article/2014/02/06/energy-natgas-weather-idUSL2N0LB14020140206>

Enbridge Reports AGIs Trip at Its Tilden Gas Plant in Texas February 5

Enbridge reported acid gas injector (AGI) no. 2 and no. 3 tripped on compressor motor faults due to an unexpected electrical spike off of the electric grid. The electrical breakers were reset and the AGIs restarted and stabilized.

<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=193887>

Other News

Nothing to report.

International News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices			
February 6, 2014			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	97.84	98.25	96.15
NATURAL GAS Henry Hub \$/Million Btu	7.18	5.20	3.34

Source: Reuters

Links

This Week in Petroleum from the U.S. Energy Information Administration (EIA)

<http://www.eia.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM ET every Wednesday.

Natural Gas Weekly Update from EIA

<http://www.eia.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM ET every Thursday.

ENERGY ASSURANCE DAILY

Energy Assurance Daily provides a summary of public information concerning current energy issues. Published Monday through Friday to inform stakeholders of developments affecting energy systems, flows, and markets, it provides highlights of energy issues rather than a comprehensive coverage. *Energy Assurance Daily* is updated online Monday through Friday after 5:00 p.m. ET. For more information, visit the Infrastructure Security and Energy Restoration (ISER) website at:

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

Please direct comments and questions to: ead@oe.netl.doe.gov