



# ENERGY ASSURANCE DAILY

Monday Evening, February 11, 2008

## Major Developments

### Strong Winds Bombard Mid-Atlantic Leaving 380,000 Customers without Power

Winds gusting up to 70 mph blew through the Mid-Atlantic region Sunday, downing numerous power lines and knocking out power to over 380,000 customers. Virginia was hardest hit, with over 190,000 customers out. The winds were also blamed for spreading hundreds of wildfires across Virginia and the Carolinas. The strong winds caused a power failure at Valero's 182,000 b/d Delaware City, Delaware refinery shutting all units. Valero has reportedly restarted the crude and coker units. (For additional information, see related in the Petroleum Section below.)

Reuters, 12:46 February 11, 2008

<http://www.dom.com/news/storm.jsp>

<http://ap.google.com/article/ALeqM5gwSSrT7-LciDlr1tYmyE9e19oX9QD8UO91083>

Mid-Atlantic Windstorms Customer Power Outages February 10-11, 2008			
Electric Utility	State	Peak	Latest Reported
Dominion	VA	113,252	12,543
AEP	VA	75,150	48,305
Allegheny	VA	3,500	171
Novec	VA	876	1
Duke	NC	41,815	1,927
Progress-Energy	NC/SC	24,000	215
Dominion	NC	2,338	1
Pepco	MD	27,584	1,505
Delmarva	MD	7,403	1
Allegheny	MD	5,898	123
Allegheny	WV	31,058	2,742
AEP	WV	6,961	1,947
Pepco	DC	23,256	316
Allegheny	PA	10,425	167
Duke	SC	10,187	57
<b>TOTAL*</b>		<b>383,703</b>	<b>70,021</b>

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

Sources:

AEP (VA/WV): <http://www.appalachianpower.com/news/outages/>

Dominion (VA/NC): [http://www.dom.com/news/outage\\_sos.jsp](http://www.dom.com/news/outage_sos.jsp)

Pepco (DC/MD): <http://www.pepco.com/home/emergency/maps/zip/default.aspx>

Allegheny (VA/WV/PA/MD):

[http://app.alleghenyenergy.com/outagestatus/customeroutagestatus/oms\\_summary\\_for\\_puc.asp](http://app.alleghenyenergy.com/outagestatus/customeroutagestatus/oms_summary_for_puc.asp)

Duke-Energy (NC/SC): <http://www.duke-energy.com/outages/stats/>

Delmarva (MD): <http://www.delmarva.com/home/emergency/maps/outage/>

Novec (VA): <http://www.novec.com/map/summary.cfm>

### **Substation Outages Cut Power to 75,000 ENMAX Power Customers in Calgary, Alberta February 11**

Ice fog caused equipment failures at several substations throughout the Calgary area early morning February 11, causing widespread outages to be reported. Approximately 75,000 customers lost power as crews worked to restore electricity service as quickly and safely as possible. As of 1:45 PM EST, power has been restored to all affected areas and the affected substation has been re-energized.

<http://www.enmax.com/Corporation/Whats+New/Outage.htm>

### **Exelon's 1,022 MW Clinton Nuke Unit in Illinois Shut February 10**

The unit was shut February 10 after a reactor recirculation pump tripped offline. The Nuclear Regulatory Commission reported that on the morning of February 10 the unit was operating at 82 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, 11:27 February 11, 2008

### **Update: Exelon's 1,134 MW Limerick Nuke Unit 2 in Pennsylvania Shut by February 11**

The unit was shut to repair a water recirculation pump. The Nuclear Regulatory Commission reported that on the morning of February 10 the unit was operating at 36 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, 09:40 February 11, 2008

### **Mirant's 206 MW Potrero Gas-fired Unit 3 in California Shut February 8**

According to the California Independent System Operator, the unit experienced an unplanned outage on February 8.

<http://www.caiso.com/unitstatus/data/unitstatus200802081515.html>

### **Update: FPL's 839 MW Saint Lucie Nuke Unit 2 in Florida Ramped Up to 98 Percent by February 9**

The unit was shut last month to repair a coolant pump. The Nuclear Regulatory Commission reported that on the morning of February 8 the unit was not operating.

Information also derived from the NRC Power Reactor Status Reports:

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

Bloomberg, 10:53 February 11, 2008

### **Update: Exelon's 1,093 MW Peach Bottom Nuke Unit 3 in Pennsylvania at Full Power by February 11**

The unit was shut on February 5 to repair a safety relief valve. The Nuclear Regulatory Commission reported that on the morning of February 10 the unit was operating at 88 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, 07:47 February 11, 2008

### **Update: Dominion's 917 MW North Anna Nuke Unit 2 in Virginia at Full Power by February 10**

The unit returned to full power February 11 after it was shut earlier this month to replace a seal on a reactor coolant pump. The Nuclear Regulatory Commission reported that on the morning of February 9 the unit was operating at 9 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, 10:04 February 11, 2008

### **NPPD's 764 MW Cooper Nuke Unit in Nebraska at Full Power by February 10**

The Nuclear Regulatory Commission reported that on the morning of February 9 the unit was operating at 80 percent. Information derived from the NRC Power Reactor Status Reports:

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

## **Update: Delta Power's 240 MW Crockett Cogen Gas-fired Unit in California Returns to Service February 10**

According to the California Independent System Operator, the unit experienced an unplanned outage on February 9. <http://www.caiso.com/unitstatus/data/unitstatus200802101515.html>

## **PG&E's 102 MW Electra Aggregate Hydro Units 1 & 2 in California Returns to Service February 10**

According to the California Independent System Operator, the units experienced an unplanned outage February 9. <http://www.caiso.com/unitstatus/data/unitstatus200802101515.html>

## **OPG's 490 MW Nanticoke 2 Coal-fired Unit in Ontario Shut February 11**

Reuters, 10:27 February 11, 2008

## **TransAlta's 406 MW Sundance Coal-fired Unit 4 in Alberta Shut February 10**

TransAlta Corp is investigating the unexpected shutdown.

Reuters, 10:27 February 11, 2008

Reuters, 11:20 February 11, 2008

## **Congress, State Regulators, Others Question Adequacy of NRC's Relicensing Process**

Concerns about the adequacy of the relicensing process of the Nuclear Regulatory Commission (NRC) stem from a report released last fall by the NRC Office of Inspector General. The report reviewed 13 relicensing cases, and found numerous examples where there was either no specific documentation or where supporting documentation was often provided by the companies whose plants were being relicensed. Congress has scheduled hearings this month and next to examine this problem and some state regulators and other groups have called for an overhaul of the NRC relicensing program.

<http://www.csmonitor.com/2008/0208/p02s01-usgn.html>

## ***Petroleum***

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### **Venezuela's Chavez Threatens to Cut Oil Exports to the U.S. if ExxonMobil Wins Case to Freeze Financial Assets**

On February 10, Venezuelan President Hugo Chavez threatened to cutoff oil supplies to the United States if ExxonMobil wins its court case to freeze as much as \$12 billion dollars in Venezuelan assets in several countries. A British court issued the injunction on February 7 as part of an arbitration case between ExxonMobil and PdVSA, Venezuela's state-owned oil company. In June 2007 Venezuela nationalized heavy oil projects in the country's Orinoco Belt. Four major oil companies signed agreements to transfer majority stakes in their projects to the PdVSA but ExxonMobil refused to renegotiate its 41.7% ownership stake in the Cerro Negro project.

ConocoPhillips also refused to renegotiate. On Sunday Chavez said "If you end up freezing (Venezuelan assets) and it harms us, we're going to harm you. Do you know how? We aren't going to send oil to the United States. Take note, Mr. Bush, Mr. Danger." In the past, Chavez has issued similar threats to cut off oil supply if the U.S. tries to oust him, but this is the first time that he has tied the threat to the actions of a private oil company. In 2007, Venezuela was the No. 4 exporter of petroleum to the United States, supplying approximately 1.2 million b/d of crude oil and 200,000 b/d of petroleum products.

<http://www.chron.com/dispatch/story.mpl/headline/biz/5529385.html>

[http://www.rigzone.com/news/article.asp?a\\_id=56535](http://www.rigzone.com/news/article.asp?a_id=56535)

<http://www.platts.com/Oil/News/8523320.xml?p=Oil/News%e2%8a%82=Oil>

[http://www.eia.doe.gov/pub/oil\\_gas/petroleum/data\\_publications/company\\_level\\_imports/current/import.html](http://www.eia.doe.gov/pub/oil_gas/petroleum/data_publications/company_level_imports/current/import.html)

### **Power Outage Shuts Citgo's 430,000 b/d Lake Charles Refinery in Louisiana February 10**

Citgo reports that it is in the process of restarting its Lake Charles refinery after a power outage struck on the morning of February 10. While power was restored, flaring is expected to continue.

Reuters, 10:25 February 11, 2008

Reuters, 13:48 February 11, 2008

## **Power Outage Shuts Valero's 180,000 b/d Delaware City Refinery February 10, Crude and Coker Units Being Restarted February 11**

Valero's Delaware City refinery experienced a power outage around 11:30 PM February 10, causing all units to shut down. According to a Reuters story, the power outage resulted from strong winds that damaged a transformer.

OPIS reported that there had been a transformer fire. Power has been fully restored to the refinery as of February 11 and there are reports that the crude unit and coker are back online or are in start up. Valero does not have a timetable for when the Delaware City refinery will be back at full rates.

Reuters, 12:46 February 11, 2008

OPIS Alert, 11:54 February 11, 2008

<http://www.reuters.com/article/companyNews/idUSN1128567520080211>

## **SCOT Upset Reported at ConocoPhillips's 247,000 b/d Sweeny Refinery in Texas February 9**

According to a filing with state regulators, the SCOT unit upset is still under investigation but appears to be related to an instrumentation problem. The unit has returned to service following repairs which took approximately 4 hours.

<http://www2.tceq.state.tx.us/eer/main/index.cfm?fuseaction=getDetails&target=103533>

## **Update: FCC Returns to Service at Delek's 55,000 b/d Tyler Refinery in Texas February 8**

The gasoline-making fluid catalytic cracking unit (FCCU) has returned to normal rates after a reported boiler snag.

Reuters, 16:16 February 8, 2008

## **Natural Gas**

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### **Report of Suspicious Device Shuts ConocoPhillips's and Chevron's 14.8 Bcf/d Britannia Gas Field in the North Sea February 10**

ConocoPhillips and Chevron's jointly-owned Britannia gas field was shut down February 10 as a preventive measure after a security alert forced the evacuation of more than 500 oil workers from a nearby floating accommodation platform. The field is one of the largest gas fields in the North Sea. Reports of a possible suspicious device revealed nothing suspicious and normal operations will be restarted as soon as possible, a Britannia Operator said.

Reuters, 13:25 February 10, 2008

<http://www.platts.com/Natural%20Gas/News/8523173.xml?p=Natural%20Gas/News&sub=Natural%20Gas>

[http://www.rigzone.com/news/article.asp?a\\_id=56533](http://www.rigzone.com/news/article.asp?a_id=56533)

### **Power Loss Shuts Big Spring Booster Station in Texas February 10**

According to a filing with state regulators, the booster station shutdown on February 10 due to a loss of power. The booster station was placed back online February 11, following completion of wiring repairs.

<http://www2.tceq.state.tx.us/eer/main/index.cfm?fuseaction=getDetails&target=103541>

### **Air Compressor Shut Lehman Compressor Station in Texas February 9**

According to a filing with state regulators, the #1 Waukesha air compressor at the Lehman Compressor Station was shut down due to high second stage discharge pressure. The air compressor returned to normal operation on February 10 following maintenance work.

<http://www2.tceq.state.tx.us/eer/main/index.cfm?fuseaction=getDetails&target=103536>

### **Northwest Pipeline GP Announces Binding Open Season for 150,000 Dth/d Sundance Trail Expansion Project Serving Wyoming**

Williams subsidiary, Northwest Pipeline GP, announced it is launching an open season to seek binding commitments from shippers for participation in its Sundance Trail expansion project. The proposed Sundance Trail expansion will include the construction of approximately 16 miles of 30-inch loop between Green River, Wyoming and Muddy Creek, Wyoming and the addition of compression horsepower at Northwest's existing Vernal compressor station. Subject to the necessary approvals, it is anticipated service on the Sundance Trail expansion will be available in November 2010.

<http://www.williams.com/newsroom/>

## Florida Gas Transmission Company Plans 800 MMcf/d Natural Gas Pipeline Expansion Project in Florida

Florida Gas Transmission Company (FGT) will seek regulatory approval to build a proposed Phase VIII system expansion to provide approximately 800 MMcf/d of increased natural gas capacity into Florida. The proposed Phase VIII expansion includes construction of approximately 500 miles of additional large diameter pipeline and pending regulatory approval, FGT is predicting a spring 2011 in-service date for the project.

<http://biz.yahoo.com/bw/080211/20080211005476.html?v=1>

## TEPPCO's Chaparral Pipeline Company Announces Binding Open Season for Chaparral NGL Pipeline Expansion Project

TEPPCO Partners's affiliate, Chaparral Pipeline Company, LLC announced a binding open season to seek shipper support for a proposed expansion of its 845-mile natural gas liquids (NGL) pipeline originating in the Permian Basin of West Texas and eastern New Mexico. The expansion project is designed to increase annual average system capacity by approximately 15,000 b/d - 20,000 b/d.

<http://www.teppco.com/news/files/2008021101.htm>

## Other News

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### D.C. Court of Appeals Rules Coal Plants Not Exempt From Strict Emission Controls

<http://www.epa.gov/air/tribal/pdfs/CAMR%20ruling%20-%20US%20Court%20of%20Appeals%20DC%20Circuit%202-8-08.pdf>

[http://pro.energycentral.com/professional/news/power/news\\_article.cfm?id=9721644](http://pro.energycentral.com/professional/news/power/news_article.cfm?id=9721644)

## Energy Prices

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U.S. Oil and Gas Prices			
February 11, 2008			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b>			
<b>West Texas Intermediate U.S.</b>	93.78	90.64	60.64
\$/Barrel			
<b>NATURAL GAS</b>			
<b>Henry Hub</b>	8.06	7.88	8.06
\$/Million Btu			

Source: Reuters

## Energy Notes

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### Leak in Discharge Pipe Reported at Tilden Gas Plant in Texas February 9

<http://www2.tceq.state.tx.us/ee/main/index.cfm?fuseaction=getDetails&target=103521>

### NorthWestern Energy May Build a \$100 Million Natural Gas-fired Power Plant to Stabilize Electric Grid in Montana

<http://www.missoulian.com/articles/2008/02/07/business/biz70.txt>

### Update: FERC Issues Favorable Draft Environmental Review to Midcontinent Express Proposed Pipeline in Oklahoma February 8

<http://www.ferc.gov/industries/gas/enviro/eis/2008/02-08-08.asp>

### StatoilHydro Delays Start of 50,000 b/d Volve Crude Oil Field in the North Sea

Bloomberg, 04:21 February 11, 2008

## **Gunmen Attack Naval Escort to Nigeria Liquefied Natural Gas Staff Boat, One Sailor Killed February 11**

Reuters, 09:21 February 11, 2007

## **Chad's Oil Production Unaffected by February 2-3 Rebel Attacks - Oil Prospecting Records Lost in Fire, Plans Disrupted**

Reuters, 08:18 February 11, 2008

### **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>.

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