



ENERGY ASSURANCE DAILY

Thursday, February 22, 2007

Major Development

Update: TEPPCO's 240,000 b/d Products Pipeline Could Reopen by February 24

The portion of TEPPCO's 240,000 b/d products pipeline in Indiana, which shut due to a leak on February 20, could be back in service by Saturday, February 24, assuming no unforeseen problems are encountered in the repairs now underway. According to a company representative, the line did not rupture. Instead, the leak resulted from a faulty valve, which TEPPCO is replacing. Because propane is the principal product carried by the pipeline, the shutdown has had a significant impact on propane deliveries to customers in the Northeast. TEPPCO's pipeline system beyond Seymour, Indiana, where the rupture occurred, supplies customers in Ohio, Pennsylvania and upstate New York.

TEPPCO Pipeline Map: <http://www.teppco.com/components/flash/map.htm>
http://today.reuters.com/news/articleinvesting.aspx?view=CN&storyID=2007-02-21T215824Z_01_N21384036_RTRIDST_0_PIPELINE-OPERATIONS-TEPPCO-RESTART-URGENT.XML&rpc=66&type=qcna

OPIS, 10:29 February 21, 2007

Bloomberg, 17:10 February 21, 2007

Update: Negotiations Achieving Little Progress in Ending CN Railway Strike NGL, Gasoline and Propane Delivery Problems Continue in Canada and Maine

Despite the resumption of negotiations February 20, little progress has been made in ending the Canadian National (CN) Railway strike. However, some CN Railway workers voluntarily returned to work yesterday. The strike, which began on February 10, has forced BP and Spectra Energy to declare force majeure on deliveries of NGLs, and has contributed to gasoline shortages at stations owned by Imperial Oil in Ontario. Additionally, Alberta refiners have reported shortages of rail cars to move fuel to mining customers dependent on rail deliveries. At this point, there is no information about the effect of the strike on refinery output. Although, the railway strike has affected supply of propane customers to in Maine, the State has found alternative methods of supply, including the use of a short-line railroad. Some 47 tank cars of propane are scheduled to arrive in the Maine on February 24.

http://ca.today.reuters.com/news/newsArticle.aspx?type=domesticNews&storyID=2007-02-22T185034Z_01_N21304342_RTRIDST_0_CANADA-CNRAIL-STRIKE-COL.XML
<http://www.mineweb.net/energy/635560.htm>
<http://business.mainetoday.com/news/070222propane.html>
<http://www.seacoastonline.com/news/02222007/mainenews-ph-p-maine.propane.html>
http://ellsworthmaine.com/site/index.php?option=com_content&task=view&id=6692&Itemid=31
<http://bangordailynews.com/news/t/news.aspx?articleid=146624&zoneid=500>
http://www.bloomberg.com/apps/news?pid=20601082&sid=ad7V6SHe0_kY&refer=canada

Electricity

Progress Energy's 838 MW Crystal River Nuke Unit 3 in Florida Shut February 21

The company said the reactor automatically tripped off line late Wednesday due to a feedwater problem.
Reuters, 08:43 February 22, 2007

Update: Southern Company's 1,149 MW Vogtle Nuke Unit 2 in Georgia Ramps up to 97 Percent by February 22

Reuters, 08:28 February 22, 2007

Update: Duke Energy's 846 MW Oconee Nuke Unit 1 Plans to Ramp Back up February 22
Reuters, 16:21 February 21, 2007

Texas Government Delays Construction of Six New TXU Coal-Fired Units

The Texas State Office of Administrative Hearings has postponed the start of TXU's air-permit hearing by four months. TXU wanted the hearings started in March, while opponents of the new plants wanted a six-month deferral.
Reuters, 15:49 February 21, 2007

Update: SCE Receives Okay from CPUC for Next Phases of Tehachapi Transmission Plans

On February 20, the California Public Utilities Commission (CPUC) tentatively approved the second and third segments of Southern California Edison's (SCE) Tehachapi transmission project. SCE plans to connect 4,500 MW of wind generation capacity to the California grid through the series of new transmission lines.
http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7874220

DOE Official Calls for States to Work Together to Strengthen Grid

At a national conference on electricity delivery, Deputy Secretary of Energy Clay Sell urged state utility regulators to work together to reduce grid congestion, to reduce obstacles for projects designed to upgrade and strengthen the electricity delivery system, and to cooperate more on regional and national electricity transmission issues.
<http://www.platts.com/Electric%20Power/News/6358197.xml?p=Electric%20Power/News&sub=Electric%20Power>

Petroleum

Update: Valero to Perform Overhaul of 170,000 b/d McKee Refinery in Texas Work to be Concurrent with Repair of Damage from Last Weeks Fire and Explosion

Valero has decided to move forward overhaul work at its McKee refinery that was originally planned for April and May of this year because the refinery is already down due to damage from a fire and explosion last week. The refinery, which normally supplies fuel to terminals in Texas, Colorado, New Mexico and Arizona, has had an affect on gasoline prices in the Southwest.

Reuters, 19:18 February 21, 2007

Reuters, 11:11 February 22, 2007

Bloomberg News, 19:03 February 21, 2007

Refinery Problems Push NYMEX Oil Price Above \$60

Concerns about product availability due to refinery outages in Texas, Colorado, Delaware, Pennsylvania, and Canada have helped push the price of crude oil on the New York Mercantile Exchange above \$60 for the first time since late December in 2006. U.S. fuel inventories also dropped significantly over the past week according to EIA, causing upward pressure on prices.

<http://www.bloomberg.com/apps/news?pid=20601087&sid=aHxN5sj9Km50&refer=home>

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

Reuters, 12:55 February 22, 2007

Natural Gas

Spectra Energy Files with FERC to Expand Gas Storage Facility in Louisiana by 8 Bcf

On February 21, Spectra Energy announced it had filed an application with the Federal Energy Regulatory Commission (FERC) to develop a fourth cavern at its existing Egan Natural Gas Storage Facility in Acadia Parish, Louisiana. When developed, the cavern will have a capacity of 8 Bcf of natural gas, bringing total capacity at the site to 32 Bcf.

http://www.spectraenergy.com/news/releases/2007/Feb/20070221_01.asp

Other News

U.S. Won't Meet President's Ethanol Goal – EIA Long-term Forecast

In the recently released Annual Energy Outlook 2007, the Energy Information Administration (EIA) forecasts that ethanol use in the United States will grow dramatically over the next 25 years, but not as quickly as called for by President Bush in his latest State of the Union speech. The President called for ethanol and other alternate fuels production to reach 35 billion gallons per year by 2017. EIA forecasts that 14.6 billion gallons of ethanol will be used as vehicle fuels by 2030, far short of President Bush's goal.

[http://www.eia.doe.gov/oiaf/aeo/pdf/0383\(2007\).pdf](http://www.eia.doe.gov/oiaf/aeo/pdf/0383(2007).pdf)

Energy Prices

U.S. Oil and Gas Prices			
February 22, 2007			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	60.28	57.59	59.03
NATURAL GAS Henry Hub \$/Million Btu	7.47	8.91	7.55

Source: Reuters

Energy Notes

Pinnacle West's Palo Verde Reactors in Arizona Violated Backup Power Rules -- NRC

Bloomberg News, 12:38 February 22, 2007

Houston Ship Channel Closed by Fog this Morning But May Reopen by this Afternoon

Reuters, 08:41 February 22, 2007

Bloomberg News, 10:10 February 22, 2007

Cleaning Up ½ of Underground Storage Tanks in U.S. to Cost \$12 Billion – U.S. GAO

Reuters, 13:08 February 22, 2007

Russia's Rosneft Considering Baltic Export Refinery in St Petersburg

http://www.energyintel.com/PublicationHomePage.asp?publication_id=3

As Ethanol Supply Soars, Producers Look to Expand into Conventional Gasoline Market

<http://www.platts.com/Oil/News/6358193.xml?p=Oil/News&sub=Oil>

Two More Oil Workers Taken Hostage in Nigeria, A Third Escapes Captors

Reuters, 09:39 February 22, 2007

Valero Considers Expanding Coker at Texas City Refinery

Industrial Info News Alert, www.industrialinfo.com

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/index.aspx>.

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