



# ENERGY ASSURANCE DAILY

Thursday, March 01, 2007

## Major Developments

### Update: Iowa Under Blizzard Warning as 44,000 Customers Remain Without Power

As of 12:30 p.m. EST, local media and electric company websites were reporting about 44,000 customers without power in the Midwest, down from 64,000 yesterday at 3 p.m. Almost all of these outages are in Iowa. Although progress has been made since yesterday, new storms and wind overnight caused new power outages in some parts of the state. More ice, snow and wind are expected today and tomorrow throughout Iowa and a blizzard warning is in effect for western and north central Iowa. Alliant Energy officials are worried that the new storm may slow restoration progress and cause new outages. Yesterday, the company said that full restoration could take several more days.

<http://www.whotv.com/global/story.asp?s=6160295>

<http://www.kwwl.com/Global/story.asp?S=6160616&nav=2Ifu>

Midwest Customer Power Outages			
February 24-March 1			
Electric Companies	State	Peak	Latest Reported
Alliant Energy	Iowa, Minnesota	200,000	29,500
Iowa Association of Electric Cooperatives	Iowa	100,000	7,900
MidAmerican Energy	Iowa, Illinois	75,000	4,200
Commonwealth Edison	Illinois	38,000	0
Ameren	Illinois	34,000	2,000
NIPSCO	Indiana	30,000	0
<b>TOTAL*</b>		<b>477,000</b>	<b>43,600</b>

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

Sources: Energy Assurance Daily, February 26-28, 2007

Alliant Energy: <http://alliantenergy.com/docs/groups/public/documents/pub/p013332.hcsp>

Iowa Association of Electric Cooperatives: <http://www.iowarec.org/Outage%20Map030107am.pdf>

MidAmerican Energy: <http://www.whotv.com/global/story.asp?s=6160295>

Ameren: [http://www.ameren.com/Outage/ADC\\_RS\\_StormCenter.asp](http://www.ameren.com/Outage/ADC_RS_StormCenter.asp)

## Electricity

### Snowstorm Knocks Out Power to 26,000 PG&E Customers in Mother Lode, California

<http://www.mymotherlode.com/News/article/kvml/1172694692>

[http://www.uniondemocrat.com/news/story.cfm?story\\_no=22850](http://www.uniondemocrat.com/news/story.cfm?story_no=22850)

### Appeals Court Overturns State Approval for KCP&L's Proposed 850 MW Iatan 2 Coal-fired Unit in Missouri

An appeals court has overturned Missouri's 2005 approval of Kansas City Power & Light Co.'s plan to build a second coal-fired unit at its Iatan power plant in Missouri, ruling that the Public Service Commission failed to follow state law for evaluating new power plants and didn't have the jurisdiction to approve KCP&L's request. It is unknown whether the decision will force the utility to halt construction of the unit, which is scheduled to be in service in 2010.

<http://www.bizjournals.com/kansascity/stories/2007/02/26/daily20.html>

[http://pro.energycentral.com/professional/news/power/news\\_article.cfm?id=7904556](http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7904556)

## **Duke Energy Gets Approval for One 800 MW Coal-fired Unit in North Carolina**

The North Carolina Utilities Commission approved a Certificate of Public Convenience and Necessity (CPCN) for Duke Energy Carolinas to build one of two proposed 800 MW coal-fired units at the Cliffside Steam Station west of Charlotte. The commission also ruled that the unit could be built only if Duke agrees to retire the four older units at the site totaling 200 MW when the new generator comes on line. Another (fifth) generator at the current site with a capacity of 560 MW will continue to operate.

<http://www.duke-energy.com/news/releases/2007022801.asp>

[http://pro.energycentral.com/professional/news/power/news\\_article.cfm?id=7910201](http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7910201)

<http://www.duke-energy.com/news/releases/2000/Jul/2000073102.html>

## **Pepco Seeks to Retire Two Peaking Power Plants in Washington, D.C.**

Pepco Holdings, Inc. announced today that its subsidiary Potomac Power Resources (PPR) intends to retire peaking power plant units in northeast and southwest D.C. by May 31, 2012, subject to approval of the regional electric grid operator, PJM. At PPR's request, PJM will study the effects of the planned shutdown of the Benning Road and Buzzard Point plants and has the option to request PPR to continue to operate the units if they are needed for reliability of the grid, or can determine that the units can be retired sooner, if reliability is not impacted.

<http://www.pepcoholdings.com/about/news/archives/2007/article.aspx?cid=788>

## **Entergy's 1.035 MW Indian Point Nuke Unit 2 in New York Exits Outage March 1**

The unit exited an outage after a faulty water supply pressure transmitter was replaced. As of mid-morning on March 1, the unit was operating at 97 percent of capacity and the company anticipates that it should return to full power later in the day.

Bloomberg News, 10:54 March 1, 2007

## **AEP's 690 MW Oklaunion Coal-fired Unit in Texas Shut March 1**

The unit was shut for short-term work to be performed and is expected to return to operational status on March 5.

Reuters, 08:19 March 1, 2007

## **Xcel's 522 MW Prairie Island Nuke Unit 2 in Minnesota Shut March 1**

Reuters, 10:34 March 1, 2007

## **AES's 225 MW Huntington Beach Gas-fired Unit 1 in California Shut February 28**

Reuters, 19:45 February 28, 2007

## **AES's 225 MW Huntington Beach Gas-fired Unit 3 in California Shut February 28**

Reuters, 19:45 February 28, 2007

## **AES's 225 MW Huntington Beach Gas-fired Unit 4 in California Shut February 28**

Reuters, 19:45 February 28, 2007

## **NRG/Dynergy's 335 MW El Segundo Gas-fired Unit 3 in California Shut February 28**

Reuters, 19:45 February 28, 2007

## ***Petroleum***

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### **Update: Ontario Premier Sees Fuel Shortage Easing in 7-10 Days**

Ontario Premier Dalton Guinty says the government expects the gasoline shortage in the province to ease in seven to ten days. According to local media reports, numerous Ontario fuel stations continued to experience shortages yesterday, including 25 Petro-Canada stations, 30 Shell Canada stations and many Canadian Tire gas bars. At one point, 100 Esso stations, which are owned by Imperial Oil, were reported without supply. The fuel situation is expected to ease over the next week with the end of the CN Railway strike and the return of Imperial Oil's fire-damaged 118,000 b/d Nanticoke refinery. Yesterday Imperial Oil said the Nanticoke plant was running at about 50 percent of capacity with return to full production expected by mid-March.

[http://www.680news.com/news/local/article.jsp?content=20070228\\_110514\\_4992](http://www.680news.com/news/local/article.jsp?content=20070228_110514_4992)

<http://www.topix.net/content/cp/2718794119193009506008443675770066234808>

### **Imperial Oil Gets Approval for 100,000 b/d Kearl Oil Sands Project in Alberta**

Imperial Oil has received conditional approval from the Alberta Energy and Utilities Board and the Government of Canada to move forward with the company's Kearl Oil Sands Project. The Kearl project is similar in design to existing oil-sands mines in the Fort McMurray region, using large-scale shovels, trucks, crushers and oil-sands hydrotransport technology. The current plan is to develop the mine in a staged manner, with an initial mine train with production capacity of about 100,000 b/d. Subsequent expansions could increase capacity to approximately 300,000 b/d. The mine plan does not include any on-site bitumen upgrading.

[http://www.imperialoil.com/Canada-English/News/News\\_Releases/N\\_NR\\_NewsRelease070227a.asp](http://www.imperialoil.com/Canada-English/News/News_Releases/N_NR_NewsRelease070227a.asp)

### **No Impact on Production from Propane Leak at Shell's 334,000 b/d Deer Park Refinery in Texas February 28**

According to a Shell representative, operations at the refinery were unaffected when a propane leak was discovered at an adjoining petrochemical plant. The propane was leaking from a storage tank.

Reuters, 15:33 February 28, 2007

### **Power Restored to FCC Unit at Delek's 55,000 b/d Refinery in Texas February 27**

Power has been restored to a fluid catalytic cracking unit at the 55,000 b/d Delek refinery in Tyler, Texas.

According to a report to state regulators, an electrical fault caused a problem with the flare system which in turn cut power to the FCC unit at approximately 11 a.m. on February 27. Power was restored later that evening.

Reuters, 14:03 February 28, 2007

### **SRU Unit Shuts at Valero's 90,000 b/d Houston Refinery in Texas February 27**

Valero reported that the sulfur recovery unit (SRU) at its 90,000 b/d refinery in Houston unexpectedly went off-line during the afternoon on February 27. On February 28, a company representative was unable to provide information about the status of the unit or as to whether or not there was any impact on production.

Reuters, 16:45 February 28, 2007

### **Problem at Valero's 325,000 b/d Port Arthur Refinery – Runs Cut – Trade Sources**

According to trade sources, Valero reduced output when a problem developed with its 105,000 b/d coking unit at the refinery. Valero did not provide any information about the situation. Earlier reports from traders in the area indicated that the unit had been completely shut down.

Reuters, 12:07 March 1, 2007

Reuters, 11:01 March 1, 2007

### **BP to Restart Northstar Field in Alaska Next Week**

BP announced that depending on such factors as the weather, that it anticipates restarting the 47,000 b/d field sometime next week. The field has been shut since February 17 when a small leak in a line was discovered. BP has completed its inspection of the field and anticipates that repairs will be complete next week.

Reuters, 19:29 February 28, 2007

Reuters, 18:49 February 28, 2007

## ***Natural Gas***

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Nothing to report.

## ***Other News***

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### **Lower Ohio River Reopens to Traffic Following Brief Closure due to Leaking Petrochemical Barge February 28**

Traffic on the lower Ohio River reopened to traffic about 10:30 p.m. local time after being closed for approximately 12 hours. The closure came about after a tow boat hit a lock and a barge leaked petrochemicals into the river. There was little impact on the transport of petroleum or other commodities according to trade sources.

Reuters, 10:50 March 1, 2007

## Energy Prices

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U.S. Oil and Gas Prices			
March 1, 2007			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	62.00	60.28	62.01
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	7.07	7.47	6.62

Source: Reuters

## Energy Notes

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**Tornado Destroys Substation and Damages Power Lines in Linn County Kansas, Entire County Without Electricity February 28**

<http://www.kansascity.com/mld/kansascity/news/16806345.htm>

**Baker Institute Releases Report on Role of National Oil Companies**

<http://www.rice.edu/energy/research/nationaloil/index.html>

[http://www.rice.edu/energy/research/nationaloil/docs/NOC\\_researchprotical.pdf](http://www.rice.edu/energy/research/nationaloil/docs/NOC_researchprotical.pdf)

**Update: Fog Clears, Houston Ship Channel Reopens – Backup of 36 Ships March 1**

Reuters, 11:52 March 1, 2007

## 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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