



ENERGY ASSURANCE DAILY

Wednesday, May 16, 2007

Electricity

88,000+ Duke Energy Customers Lose Power in Ohio from May 15 Storm

The thunderstorm moved through southwestern Ohio and northern Kentucky between 10 p.m. and midnight local time. In addition to the 88,343 customers in Ohio who lost power, an additional 1,183 customers in Kentucky also lost power due to the storm. As of 8:00 a.m. this morning, about 9,000 customers were still without power in Ohio.

http://news.yahoo.com/s/wlwt/20070516/lo_wlwt/13328878

<http://www.duke-energy.com/kentucky/outages/current.asp>

67,000 Customers Lose Power in Indiana from May 15 Storm

52,000 customers of Northern Indiana Public Service Company lost power last night when a storm passed through the areas at about 5:00 p.m. local time. About 16,000 customers were still without power this morning. Indiana-Michigan power reported that 14,600 of its customers in Indiana also lost power in the storm. Approximately 3,600 of these customers were still without power as of 8:00 a.m. this morning.

<http://www.wthr.com/Global/story.asp?S=6524405>

<http://www.southbendtribune.com/apps/pbcs.dll/article?AID=/20070516/News01/70516022>

Avista Resumes Construction of Major Transmission Upgrades in Washington and Idaho

The project will add over 100 circuit miles of 230 kilovolt (kV) transmission line to the system and will increase the capacity of another 50 miles of transmission line. Avista is also constructing two new 230 kV substations and is reconstructing three existing 230kV substations.

http://www.krem.com/news/local/stories/KREM2_051607_avista.75560e3e.html

Update: NRC Authorizes Restart of TVA's 1,200 MW Browns Ferry Nuke Unit 1

The Nuclear Regulatory Commission (NRC) gave its approval in a May 15 letter.

<http://www.platts.com/Nuclear/News/7343933.xml?p=Nuclear/News&sub=Nuclear>

Update: Constellation Energy's 497 MW Ginna Nuke Plant in New York Returns to Full Power May 16

The nuclear reactor dropped to 67 percent capacity on May 15 but returned to full power today.

Bloomberg News, 13:40 May 16, 2007

Xcel Energy's 523 MW Prairie Island Nuke Plant in Minnesota Exits Outage May 16

The 523 nuclear reactor exited an outage and ramped up to 1 percent of the capacity early May 16 after shutting May 11 to repair a pump used on a non-radioactive system.

Reuters, 07:27 May 16, 2007

Entergy's 778 MW Palisades Nuke Plant in Michigan Returns to Full Power May 16

The 778 MW nuclear reactor was operating at 60 percent of capacity on May 15 after exiting an outage and returned to full power on May 16.

Reuters, 07:20 May 16, 2007

Nation's Second Largest Wind Farm (400 MW) Breaks Ground in Colorado

When complete, Florida Power and Light's Peetz Table Wind Energy Center will be capable of generating enough electricity to power nearly 120,000 homes. Construction of the 267 wind turbines at the wind farm began this spring and is expected to be completed by the end of 2007.

Reuters, 13:00 May 16, 2007

SDG&E Selects Projects to Meet 2008 Peak Power Demand in California

San Diego Gas & Electric (SDG&E) today announced that it has selected bids and signed power-purchase agreements with two companies to supply nearly 130 megawatts (MW) of quick-start generation to be brought online by 2008. The winning bidders, J-POWER USA Development Co. Ltd (“J-Power”) and Wellhead Power Margarita, LLC (“Wellhead Power”), will build “peaker” plants – small, efficient power plants used only during high-demand periods of electricity usage – to help SDG&E meet the region’s reliability and energy needs. J-Power and Wellhead Power responded to a Request for Offers SDG&E issued in October 2006 for up to 250MW of new, in-basin peaker generating units. SDG&E initiated the competitive bid process in part in response to the record-high electricity use during last summer’s heat wave. J-Power will build two simple-cycle, gas-fired peaking plants with a total capacity of 86.5MW on SDG&E-owned property at the utility’s Pala substation in northern San Diego County. Wellhead Power will develop a single 46.5MW simple-cycle, gas-fired turbine adjacent to an SDG&E-owned substation in southern Orange County.

http://public.sempra.com/newsreleases/viewpr.cfm?PR_ID=2160&Co_Short_Nm=SDGE

Canadian Firms Propose 200 MW of New Wood-fired Units in British Columbia

Canadian developers Pristine Power and Nexterra Energy said Tuesday that they have proposed jointly developing 15 power plants fueled from wood waste, each with a capacity of 10-20 MW.

<http://www.platts.com/Electric%20Power/News/6383692.xml?p=Electric%20Power/News&sub=Electric%20Power>

Petroleum

API Says US Producing Gasoline at Record Pace of 8.73 b/d

According to the American Petroleum Institute, U.S. refineries produced 8.73 million b/d of gasoline during the first four months of 2007, a record for this period. It is a 4.4 percent increase from the same period in 2006.

Consumption of diesel averaged 3.31 million b/d last month, up 7.3 percent from April 2006, the report showed.

<http://www.api.org/Newsroom/april-gasoline-prod.cfm>

ConocoPhillips Shut a Unit at 247,000 b/d Sweeny Refinery in Texas May 16

One unit at the refinery is undergoing maintenance after a leak. The work on the waste heat boiler began May 16 and will last about a month.

Bloomberg News, 13:13 May 16, 2007

Valero Halts Output at 130,000 b/d Houston Refinery May 16

Due to steam system and boiler problem, the refinery failed to restart on May 16. The refinery reduced fuel production by 44,000 barrels of gasoline and 64,000 barrels of distillate. The problem will delay the restart by 7-10 days.

Bloomberg, 12:02 May 16, 2007

Reuters, 12:01 May 16, 2007

Reuters, 11:35 May 16, 2007

Alon to Shut 75,000 b/d Big Springs Refinery in Texas May 16

The company plans to cut feed to the gasoline-producing fluidic catalytic cracking unit at its Big Spring refinery while repairs are made on Sulfur Recovery Unit No. 2, according to a regulatory filing.

Bloomberg News, 03:08 May 16, 2007

Reuters, 07:33 May 16, 2007

Investigation Reveals BP’s Lack of Risk Assessment Resulted in Alaska Oil Spill

An investigation conducted by consulting firm Booz Allen Hamilton concluded that the Prudhoe Bay oil leaks “resulted not from budget pressures, but primarily from the lack of a formal, holistic risk assessment process that was sensitive to changing operations and conditions in the field,” said Bob Malone, president of BP America. U.S. lawmakers, however, said cost cutting at BP’s Prudhoe Bay oil field in Alaska led to the spill. At a subcommittee hearing of the House Energy and Commerce Committee, members sought to portray the cost cutting in Alaska as similar management culture at BP’s Texas City refinery, where 15 workers were killed in a 2005 explosion.

Bloomberg News, 13:00 May 16, 2007

Reuters, 13:01 May 16, 2007

Reuters, 10:21 May 16, 2007

Reuters, 13:20 May 16, 2007

Update: Villagers Leave Nigerian Crude Facility They Seized Earlier in Week

<http://news.bbc.co.uk/1/hi/world/africa/6658773.stm>

<http://www.alertnet.org/thenews/newsdesk/L15586961.htm>

06:14 Reuters, May 16, 2007

Update: Chevron Suspension of Non-Essential Operations in Nigeria to Continue for 30 Days

Security concerns are what prompted the continued suspension of operations.

Reuters, 06:46 May 16, 2007

http://biz.yahoo.com/rb/070516/nigeria_chevron_operations.html?v=2

Update: Imperial's 118,000 b/d Nanticoke Refinery in Ontario Back to Normal Output May 16

<http://finance.sympatico.msn.ca/investing/news/breakingnews/article.aspx?cp-documentid=4874599>

Reuters, 11:51 and 12:02 May 16, 2007

Natural Gas

Williams' Approved for Gas Pipeline, Facilities in Colorado

The company's Northwest Pipeline received approval from FERC to place the 38-mile Parachute Lateral Pipeline and related facilities into service. The line provides gas from Garfield County to Rio Blanco County in Colorado.

Bloomberg News, 11:08 May 16, 2007

POET's Ethanol Production Facility Breaks Ground in Ohio

POET will begin construction of its second of three ethanol production facilities in Ohio later this month and is expected to complete in 12-14 months. Once completed, it will produce 65 million gallons of ethanol per year.

Reuters, 13:30 May 16, 2007

U.S. LNG Imports Tracking 60% Growth in '07, Keeping Lid on Prices

NGI, Daily Gas Price Index, May 16, 2007, <http://intelligencepress.com/>

Update: US MARAD Grants Port License to Expedite for Northeast Gateway LNG Facility

http://www.energyintel.com/PublicationHomePage.asp?publication_id=10

U.S. Coast Guard Issues Final Rule on Security Zone for El Paso's Elba Island, Georgia LNG Terminal

<http://www.platts.com/Natural%20Gas/News/6383659.xml?p=Natural%20Gas/News&sub=Natural%20Gas>

Other News

Nothing to report.

Energy Prices

| U.S. Oil and Gas Prices May 16, 2007 | | | |
|--|-------|----------|----------|
| | Today | Week Ago | Year Ago |
| CRUDE OIL West Texas Intermediate U.S. \$/Barrel | 62.44 | 61.10 | 69.40 |
| NATURAL GAS Henry Hub \$/Million Btu | 7.68 | 7.50 | 5.99 |

Source: Reuters

Energy Notes

Stillhouse Mining in Kentucky Faces Fines for ‘Flagrant’ Violations of Coal Mine Safety

<http://www.platts.com/Coal/News/6383822.xml?p=Coal/News&sub=Coal>

Egypt to Seek Oil Exploration Bids to Stabilize Oil Output

Bloomberg News, 10:03 May 16, 2007

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

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. EST. For more information, visit the Infrastructure Security and Energy Restoration (ISER) website at:

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

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