



ENERGY ASSURANCE DAILY

Thursday, May 17, 2007

Electricity

Violent Storm Knocks Out Power to at Least 130,000 Customers in New York and Connecticut May 16

A violent spring storm moved across the Northeast yesterday, knocking out power to at least 130,000 utility customers in New York and Connecticut. As of this morning, utility websites and local media were reporting about 50,000 customers still without power. Affected utilities are working to restore power.

Customer Outages in Affected States May 17, 2007			
Electric Company	State	Peak Without Power	Current Without Power
Connecticut Light & Power	Connecticut	60,000	21,526
Orange & Rockland Utilities	New York	32,000	4,100
ConEdison	New York	30,000	13,500
NYSEG	New York	(peak unknown) 9,300	9,300
Total		131,300	48,426

Note: due to a large number of service providers, including investor owned utilities and cooperatives, the number of customer outages reported may not be comprehensive.

Sources: <http://www.cl-p.com/stormcenter/outage.aspx>
http://www.coned.com/newsroom/news/pr20070517_2.asp
http://wcbstv.com/topstories/local_story_137083222.html
<http://www.wtnh.com/Global/story.asp?S=6528849&nav=3YeX>
<http://www.thejournalnews.com/apps/pbcs.dll/article?AID=/20070517/NEWS01/705170418/1020/NEWS04>
<http://www.nyjournalnews.com/apps/pbcs.dll/article?AID=/20070517/NEWS03/705170433>

Westar Energy to Build New 345 kV Transmission Line in Kansas

Westar Energy, Inc. received approval from the Kansas Corporation Commission May 16 to build a new 345 kilovolt high-capacity transmission line from northwest of Wichita, near its Gordon Evans Energy Center, to the Hutchinson area and then to the Summit Substation near Salina. The Commission also selected the route the line should follow. Completion of phase I of the project is expected between late 2008 and June 2009.

[http://www.westarenergy.com/corp_com/contentmgt.nsf/resources/2007-05-16/\\$File/2007-05-16.pdf?openelement](http://www.westarenergy.com/corp_com/contentmgt.nsf/resources/2007-05-16/$File/2007-05-16.pdf?openelement)

FERC Act on Long-term Transmission Rights in MISO and PJM Territories

The Federal Energy Regulatory Commission today largely approved two orders on long-term transmission rights (LTTRs) in two broad regions that will help set the stage for planning and expansion of the transmission grid. Long-term transmission rights are also critical to utilities' wholesale customers for planning purposes and in providing price certainty.

FERC Docket Numbers, ER07-478 and ER06-1218-000, et al., May 17, 2007

FERC Approves NERC's Assignment of Violation Risk Factors Associated with Approved Reliability Standards

The Federal Energy Regulatory Commission today approved the assignment of over 700 Violation Risk Factors for the North American's Electric Reliability Corporation's (NERC) Reliability Standards.

FERC Docket Numbers RR07-9-000 and RR07-10-000, May 17, 2007

Gasoline Pipeline Connecting Reading, Pennsylvania to Buffalo, New York Shut for Repairs Following Accident

Details have not yet been provided.

Reuters, 13:55 May 17, 2007

CHS' 55,000 b/d Montana Refinery Shut May 16

A power outage shut the facility, and then a small fire broke out in an overhead cooling fan for the main crude unit. The unit is expected to reach normal capacity by May 25, according to a company spokeswoman.

Reuters, 08:52 May 17, 2007

Bloomberg News, 13:21 May 17, 2007

BP and Rio Tinto to Jointly Develop Low CO2 Power Plants

The world's second-largest mining group, Rio Tinto, will join BP Plc in developing power plants that limit CO2 emissions by capturing CO2 and pumping it underground. BP will fold its existing carbon capture and storage (CCS) operations into the new company, called Hydrogen Energy. BP and Rio Tinto see CCS as a means to ensure future coal demand despite fears over soaring CO2 emissions. BP already has a U.S. plant, which will use petroleum coke to generate power, in the planning stage.

Reuters, 11:17 May 17, 2007

Update: May Expected to be Record Delivery Month for LNG Imports - FERC

The Federal Energy Regulatory Commission (FERC) announced today that the record will result from higher prices in the U.S. luring LNG cargoes away from European markets. A FERC official said that LNG imports should remain high throughout the summer since profits for natural gas are expected to remain higher in the U.S.

Reuters, 13:44 May 17, 2007

Florida Governor Said Most Gas Stations Along Hurricane Routes Haven't Installed Backup Generators

Florida Governor Charlie Crist said that about 45 percent of the 254 gas stations along Florida's hurricane evacuation routes have complied with a new law that requires them to install backup electricity generators. The Florida Legislature passed the law last year so that gas stations would be able to continue to supply fuel to motorists in the event that a storm knocks out electricity. Hurricane season begins June 1.

<http://www.nbc6.net/news/13321889/detail.html>

Update: Chemicals Safety Board Faults 'Checkbook Mentality' for BP's Prudhoe Bay and Texas City Accidents

U.S. Chemicals Safety Board CEO Carolyn Merritt told the House Energy Oversight Committee and Investigations Subcommittee May 16 that there were "striking similarities" between BP's 2005 refinery explosion in Texas City, Texas and the pipeline problems that forced the company to partially shut its Prudhoe Bay oilfield in Alaska last year. According to Merritt BP was operating under a "checkbook mentality" in both cases. "The checkbook mentality meant that the budgets were not large enough to address identified risks, and the money on hand would be spent, rather than increasing the budget." See story in Energy Assurance Daily yesterday for a different view.

http://energycommerce.house.gov/Press_110/110st53.shtml

<http://www.platts.com/Oil/News/6384017.xml?p=Oil/News&sub=Oil>

<http://www.telegram.com/apps/pbcs.dll/article?AID=/20070517/NEWS/705170400/1002>

U.S. DOT Pipeline Safety Agency Teams With Alaska to Strengthen Oil and Gas Oversight

The Pipeline and Hazardous Materials Safety Administration (PHMSA) and the State of Alaska today announced an agreement to provide stronger oversight over oil and natural gas production and transportation facilities located within the State's borders. The agreement, the first of its kind in Alaska, will close gaps in inspection coverage between Alaska production and transmission systems, improve risk assessment and oversight of unique and aging infrastructure, advance development of design and construction standards for future arctic pipelines, and increase timely data exchange about arctic maintenance and corrosion management.

<http://www.dot.gov/affairs/phmsa0407.htm>

Update: Shell Working to Restore Production in Nigeria May 17

Royal Dutch Shell has regained access to the Bamu Manifold, a major oil gathering hub in the Ogoni area of the Niger Delta. According to a Reuters source, the company has already opened one of the valves and is testing the system before restoring flows. Earlier this week a protest at the facility had shut flows on the Trans-Niger pipeline, curbing production by 170,000 b/d and forcing the company to declare force majeure on Bonny Light crude oil exports.

<http://africa.reuters.com/wire/news/usnBAN727015.html>

Reuters, 08:34 May 17, 2007

Update: Chevron Restores All But 7,000 b/d of Escravos Oil Production in Nigeria May 17

The company said that only 7,000 b/d of Escravos crude oil production was still shut on May 17 after villagers invaded its Abiteye facility on May 7. A Chevron spokesman said 70,000 b/d had been disrupted by that dispute, up from an original estimate of 42,000 b/d.

<http://africa.reuters.com/wire/news/usnBAN727015.html>

Reuters, 08:34 May 17, 2007

Natural Gas

FERC Offers Preliminary Approval for CenterPoint and Spectra's 270-Mile Gas Pipeline

The line, capable of shipping 1 billion cubic feet of natural gas a day from Perryville, Louisiana to Mobile County, Alabama must still undergo environmental review from FERC. The pipeline is expected to be in service by mid-2008.

Bloomberg News, 13:48 May 17, 2007

Other News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices			
May 17, 2007			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	64.62	61.59	69.00
NATURAL GAS Henry Hub \$/Million Btu	7.62	7.53	6.15

Source: Reuters

Energy Notes

Venezuela Back Taxes ConocoPhillips, Chevron on Heavy Oil Projects

http://www.canadianbusiness.com/markets/headline_news/article.jsp?content=D8P2FBRO0

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>.

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