



ENERGY ASSURANCE DAILY

Wednesday Evening, June 04, 2008

Major Developments

Severe Weather Knocks Out Power to 550,000 Customers in Mid-Atlantic June 4

Heavy rain and strong winds swept across Virginia, West Virginia, Maryland, and the District of Columbia late afternoon June 4. As of 4:30 PM ET, utility websites reported approximately 554,448 customers without power in the affected service territories. Dominion in Virginia and Pepco in Maryland and the District of Columbia were the hardest hit service territories.

Mid-Atlantic Customer Power Outages			
June 4, 2008			
Electric Utility	State	Peak	Latest Reported
Dominion	Virginia	244,100	244,100
Novec	Virginia	13,801	13,801
Rappahannock Elec Coop	Virginia	1,246	1,246
PEPCO	Maryland	123,985	119,093
BG&E	Maryland	86,608	81,266
SMECO	Maryland	13,353	13,353
Delmarva	Maryland	3,119	2,201
Pepco	District of Columbia	41,844	13,081
Allegheny	West Virginia	18,528	18,528
Delmarva	Delaware	7,864	7,864
TOTAL*		554,448	514,533

*Total outages only represent electric utilities listed in this table

Sources: electric utility company websites

Dominion, http://www.dom.com/news/outage_sos.jsp

BG&E, <http://www.bge.com/portal/site/bge/menuitem.42d31413f80c584606370f10d66166a0/>

NOVEC, <http://www.novec.com/map/summary.cfm>

Rappahannock Elec. Coop., <http://www.myrec.coop/outage-center/outage-summary.cfm;jsessionid=f030cad6f69470c78ae346473a47f134a172>

Delmarva, <http://www.delmarva.com/home/emergency/maps/outage/>

PEPCO, <http://www.pepco.com/home/emergency/maps/zip/default.aspx>

SMECO, <http://outage.smeco.coop/>

Allegheny, <http://app.alleghenyenergy.com/outagestatus/customeroutagestatus/>

Update: Enterprise's 1 Bcf/d Independence Hub Resumes Production in Gulf of Mexico

Enterprise Products Partners L.P. announced June 3 that it has completed repairs to the flex-joint assembly of the 134-mile, 20-inch Independence Trail pipeline that was the source of the leak that occurred on April 8, 2008.

Production at the Independence Hub platform in the Gulf of Mexico has resumed and volumes are currently flowing through the pipeline at reduced rates while final testing is completed. The Hub is expected to be able to accommodate full volumes during the first half of June. The Hub was originally expected to restart in Mid-May. The platform has a full production capacity of about 1 Bcf/d, or 12 percent of U.S. offshore Gulf natural gas production, but was flowing about 0.9 Bcf/d at the time of the shutdown.

<http://phx.corporate-ir.net/phoenix.zhtml?c=80547&p=irol-newsArticle&ID=1162040&highlight>

Reuters, 18:35 June 3, 2008

Tank Fire Shuts Magellan’s Storage Terminal, Pipeline System in Kansas City, Kansas Minimal Petroleum Product Supply Disruption Expected in Midwest

Magellan Midstream Partners L.P. discontinued operations at its petroleum products storage terminal in Kansas City, Kansas and its mainline pipeline system in and out of the terminal after a lightning strike ignited an aboveground storage tank around 7:45 PM local time on June 3. The terminal has 35 storage tanks and a total storage capacity of 1,783,000 barrels. The burning storage tank, which has a capacity of 145,000 barrels, contained approximately 28,000 barrels of unleaded gasoline at the time of the event. Firefighters brought the blaze under control and poured water on the surrounding tanks to reduce the chance of the fire spreading. According to a company spokesman, operations at the terminal will only resume once the fire has burned out and damage assessments have been completed. Magellan’s Kansas City terminal provides distribution services for gasoline, gasoline/ethanol blends, diesel and jet fuel for the local market. Magellan’s pipeline system leaving the terminal supplies petroleum products to several states in the upper Midwest ([See pipeline map](#)). Magellan believes there will be minimal disruption to supply in the region. According to interviews conducted by Bloomberg News, refineries in the region that supply the Magellan pipeline system will not need to curb production as they have adequate storage capacity on site.

Video: <http://www.ireport.com/docs/DOC-30548>

http://www.magellanlp.com/news/2008/20080604_12.htm

http://www.kansascity.com/news/breaking_news/story/648313.html

<http://www.platts.com/HOME/News/6896965.xml?sub=HOME&p=HOME/News&?undefined&undefined>

Bloomberg News, 11:45 June 4, 2008

Electricity

Thunderstorms Cause More Than 170,000 Power Outages in Midwest June 3-4

Fierce thunderstorms streamed across the Midwest late June 3 and early June 4, causing a reported 170,540 power outages in Ohio, Kentucky, Indiana, Illinois, Missouri and Kansas. As of 4:30 PM ET, utility websites reported 28,916 customers without power, most of them in Duke Energy’s service territory in Indiana.

Midwest Customer Power Outages			
June 3 – 4, 2008			
Electric Utility	State	Total Outages	Latest Reported
Duke Energy*	Ohio, Kentucky	54,827	726
AEP	Ohio	11,000	5,722
South-Central Power	Ohio	2,280	31
Ameren	Illinois	29,367	2,116
Westar	Kansas	14,002	1,023
Ameren	Missouri	5,604	888
Aquila	Missouri	4,723	127
Kansas City Power & Light	Missouri	2,681	584
Duke Energy*	Indiana	44,557	17,694
Alliant	Wisconsin	1,499	5
TOTAL OUTAGES**		170,540	28,916

* “Total Outages” for Duke Energy are defined as the number of service interruptions lasting longer than 5 minutes since 2:08 PM CT on June 3. Some customers may have experienced multiple outages and are counted as such. “Total Outages” for other utilities on this list are peak figures that represent the highest number of outages reported at any one time during the outage event.

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

Source: electric utility company websites

<http://www.ohio.com/news/ap?articleID=551964&c=y>

http://www.kansascity.com/news/breaking_news/story/649118.html

ERCOT Issues Emergency Notice for South Texas June 3

An unexpected power generation unit outage at an AEP plant in Texas on June 3 caused the Electricity Reliability Council of Texas (ERCOT) to issue an “Emergency Notice” for the Laredo area. The notice means that a “single contingency,” such as another unplanned generation outage or transmission problem, could cause customer power outages in the area.

<http://www.ercot.com/gridinfo/congestion/operations/2008/06/03/index>

Reuters, 8:19 June 4, 2008

Entergy's 951 MW Indian Point Nuke Unit 2 in New York Taken Offline by June 4

On June 4 the unit was not sending power to grid due to planned "minor repairs." According to the NRC, the unit was operating at 50 percent of capacity on the morning of June 4. The unit is expected to return to full capacity within a "couple of days."

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

Petroleum

FCC Shut at ConocoPhillips's 247,000 b/d Alliance Refinery in Louisiana June 2

Louisiana state regulators reported on June 4 that the 100,000 b/d fluidic catalytic cracking (FCC) unit at the refinery shut for unplanned work on June 2. According to unconfirmed estimates reported by OPIS, the unit could be down as long as a week.

Reuters, 11:56 June 4, 2008

OPIS Price Watch Alert, 17:46 June 3, 2008

Update: Coker at Reduced Rates at Valero's 210,000 b/d Delaware City Refinery June 3-6

According to information obtained from Bloomberg terminal, the boiler malfunction reported yesterday in the EAD has led to a reduction in coker rates at the refinery. The reduction is estimated to last until June 6.

Bloomberg News, June 4, 2008

Update: Hyperion's Proposed Refinery in South Dakota Wins Rezoning Referendum

Voters in Union County, South Dakota on June 3 approved a referendum that will allow the proposed Hyperion Energy Center to continue moving forward by rezoning the proposed site from agriculture to planned development. The Hyperion Energy Center will include a 400,000 b/d refinery producing ultra-low sulfur gasoline and diesel and an IGCC (Integrated Gasification Combined Cycle) power plant. The company currently is looking to break ground on the project in 2010.

<http://www.hyperionec.com/news/press-releases/Union-County-Zoning-Approved/>

Natural Gas

Monroe Gas Storage Launches Open Season for 3.3 Bcf Mississippi Facility

Monroe Gas Storage Co., LLC (MGS), a joint venture of Foothills Energy Ventures, LLC and High Sierra Energy, LP, announced June 2 a binding open season for up to 3.3 Bcf of firm, high deliverability storage capacity at its proposed Monroe Gas Storage facility being developed near the city of Amory, Mississippi. The Monroe Gas Storage Project will have dual interconnections to Texas Eastern Transmission Co. (TETCO) in and Tennessee Gas Pipeline (TGP). Monroe expects the facility to be in full service by April 1, 2009.

<http://www.downstreamtoday.com/News/ArticlePrint.aspx?aid=11133>

Other News

U.S. Development's Ethanol Terminal Begins Operation in Texas May 29

U.S. Development Group announced that it has opened an ethanol terminal in the Dallas area on Thursday. The rail facility will handle distribution of fuel-grade ethanol in north and central portions of Texas. The terminal has 130,000 bbls of storage capacity.

<http://www.bizjournals.com/houston/stories/2008/05/26/daily30.html>

Alico Withdraws from Ethanol Project in Florida June 2

Alico announced that it was pulling out of a project to construct a cellulosic ethanol plant in southern Florida indicating that possible risks outweighed potential benefits. Alico had been working with New Plant energy for a year on the project.

<http://www.primenewswire.com/newsroom/news.html?d=144003>

Energy Prices

U.S. Oil and Gas Prices			
June 4, 2008			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	122.87	130.23	66.17
NATURAL GAS Henry Hub \$/Million Btu	12.27	11.85	7.73

Source: Reuters

Energy Notes

Massachusetts Police Anti-Terror Unit Investigating Suspicious incident at 12 Million Gallon LNG Storage Tank

<http://www.itemlive.com/articles/2008/06/03/news/news05.prt>

Regulators Suspend Exploration Operations of Two Marcellus Shale Producers in Pennsylvania

www.intelligencepress.com

DOE Extends Export License for Kenai LNG Export Terminal in Alaska License for Two Years

www.intelligencepress.com

Utah Mine Collapse Not Due to Earthquake - Study

<http://www.platts.com/Coal/News/6896812.xml?p=Coal/News&sub=Coal>

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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