



# ENERGY ASSURANCE DAILY

Tuesday Evening, June 10, 2008

## Major Developments

### Update: Storms Continue Across Midwest as Utilities Recover from Weekend Outages Some 290,657 Without Power Across Several States

About 195,000 DTE Energy customers in Michigan remained in the dark this morning, June 10, and the utility said it will not be able to reconnect all those customers until Thursday evening. Meanwhile, new storms knocked out power to 32,000 Toledo Edison customers in Ohio, 25,000 Indianapolis Power & Light customers in Indiana, 19,000 Indiana-Michigan Power customers, and 14,000 Kentucky Utilities customers. Reports suggest a tornado touched down in Ohio yesterday.

Midwest Customer Power Outages			
June 6 -10, 2008			
Electric Utility	State	Peak*	Latest Reported
DTE Energy	Michigan	262,000	195,000
Consumers Energy (CMS Energy)	Michigan	118,000	48,000
Lansing Board of Water & Light	Michigan	19,000	4,500
ComEd	Illinois	116,000	4,300
Indiana Michigan Power (AEP)	Indiana, Michigan	29,900	8,334
Indianapolis Power & Light	Indiana	25,000	3,930
Duke Energy	Indiana	22,665	460
Toledo Edison	Ohio	42,000	12,000
Alliant	Iowa	23,258	44
MidAmerican	Iowa	13,241	15
We Energies	Wisconsin	20,000	0
Alliant	Wisconsin	11,660	73
Duke Energy	Kentucky	22,458	1
Kentucky Utilities	Kentucky	14,000	14,000
<b>TOTAL**</b>		<b>739,182</b>	<b>290,657</b>

\*The figures in this column represent the highest number of customers reported without power at one time from June 6 to June 10, 2008.

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

Sources:

- <http://abclocal.go.com/wtv/story?section=news/local&id=6195805>
- [http://www.mlive.com/weather/index.ssf/2008/06/247000\\_still\\_without\\_power\\_in.html](http://www.mlive.com/weather/index.ssf/2008/06/247000_still_without_power_in.html)
- <http://www.indianamichiganpower.com/News/outages/default.asp>
- <http://www.duke-energy.com/indiana/outages/current.asp>
- <http://www.alliantenergy.com/docs/groups/public/documents/pub/p013332.hcsp>
- <http://www.midamericanenergy.com/storm/>
- <http://www.iplpower.com/ipl/index?page=IPLGeneral&Menu=01000000&DocID=0203916c79d70118edc7b677004e9c>
- <http://www.detnews.com/apps/pbcs.dll/article?AID=/20080610/METRO/806100402>
- <http://www.myfoxtledo.com/myfox/pages/Home/Detail?contentId=6729044&version=26&locale=EN-US&layoutCode=TSTY&pageId=1.1.1>
- <http://www.chicagotribune.com/news/local/wire/chi-ap-in-indianaflooding-p.0.4778857.story>
- <http://www.journalgazette.net/apps/pbcs.dll/article?AID=/20080610/LOCAL/806100303/1002/LOCAL>
- <http://www.kentucky.com/601/story/429391.html>
- <http://www.portclintonnewsherald.com/apps/pbcs.dll/article?AID=/20080610/UPDATES01/306100002/1002/NEWS01>

### **Electrical Switching Station Fire Cuts Power to 75,000 PSE&G Customers in New Jersey June 9—Heat-Driven Demand Cuts Service to Another 10,000**

A fire at a West Orange, New Jersey electrical switching station knocked out power to almost 75,000 Public Service Electric & Gas (PSE&G) customers in New Jersey. A breaker malfunction triggered the blaze, forcing PSE&G to shut the station, according to a spokeswoman. The station normally routes power to nearby substations. PSE&G hoped to restore all outages by 7:30 PM yesterday. Separately, high electricity demand, driven by temperatures just under 100 degrees, cut power to another 10,500 customers.

<http://www.mycentraljersey.com/apps/pbcs.dll/article?AID=/20080610/NEWS/80610002>

<http://www.phillyburbs.com/pb-dyn/news/104-06092008-1546540.html>

### **Windstorm Knocks Out Power to 58,000 Customers in Washington State June 9**

Heavy winds cut power to 23,500 Snohomish County PUD customers, 17,000 Seattle City Light customers, and 17,500 Puget Sound Energy (PSE) customers. Only 75 Snohomish County PUD customers and 2,000 PSE Seattle City Light remained without power, as of latest reports. Seattle City Light brought online all its downed customers.

<http://www.heraldnet.com/article/20080610/NEWS01/5862664&news01ad=1>

<http://www.kirotv.com/news/16559026/detail.html>

### **Storm Knocks Out Power to 50,000 Customers in Upstate New York**

Winds gusted from 40 mph to 60 mph, downing trees and power lines, and cutting power to an estimated 50,000 customers June 10. Among the outages were 20,213 National Grid New York customers. Much of the area is under a tornado watch, as of latest reports.

<https://www1.nationalgridus.com/niagaramohawk/storm/OutagesByCounty.aspx>

<http://www.wktv.com/home/related/19716639.html>

### **PPL's 1,105 MW Susquehanna Nuke Unit 1 in Pennsylvania Reduced to 25 Percent by June 10**

A company spokesman declined to say why the unit curtailed. The Nuclear Regulatory Commission reported that on the morning of June 9 the unit was operating at 94 percent.

Reuters, 12:13 June 10, 2008

Information also derived from the NRC Power Reactor Status Reports:

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

### **Update: APS's 1,243 MW Palo Verde Nuke Unit 1 in Arizona Ramped Up to 97 Percent by June 10**

The unit idled on Friday, June 6, after a pipe moving boron water suffered a weld malfunction. The Nuclear Regulatory Commission reported that on the morning of June 9 the unit was operating at 19 percent.

Reuters, 08:06 June 9, 2008

Information also derived from the NRC Power Reactor Status Reports:

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

### **Update: TVA's 1,125 MW Watts Bar Nuke Unit 1 in Tennessee Ramped Up to 97 Percent by June 10**

The Nuclear Regulatory Commission reported that on the morning of June 9 the unit was operating at 80 percent.

Information derived from the NRC Power Reactor Status Reports:

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

### **Update: Energy Northwest's 1,107 MW Columbia Generating Station Nuke Unit in Washington Ramped Up to 85 Percent by June 10**

The Nuclear Regulatory Commission reported that on the morning of June 9 the unit was operating at 60 percent.

Information derived from the NRC Power Reactor Status Reports:

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

### **Update: SCE's 1,070 MW San Onofre Nuke Unit 2 in California Ramped Up to 19 Percent by June 10**

The unit was ramping up from a planned outage when, according to a representative of Edison International, a minor fault in the “electric generator’s cooling system” resulted in an automatic shutdown. The Nuclear Regulatory Commission reported that on the morning of June 9 the unit was not operating.

Bloomberg News, 15:11 June 6, 2008

Information also derived from the NRC Power Reactor Status Reports:

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

### **Update: FPL's 839 MW Saint Lucie Nuke Unit 2 in Florida Ramped Up to 98 Percent by June 10**

A condensate pump shut June 7, causing a main feedwater pump to trip. That resulted in lowered water levels in the reactor’s steam generators, and forced the unit offline. The Nuclear Regulatory Commission reported that on the morning of June 9 the unit was operating at 45 percent.

Reuters, 08:12 June 9, 2008

Information also derived from the NRC Power Reactor Status Reports:

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

### **Update: Luminant to Restart 545 MW Sandow Coal-fired Unit 4 in Texas June 10**

Luminant expects to restart the unit today, June 10, according to the company. The company idled the unit on Sunday, June 8, to repair a boiler tube leak.

Reuters, 08:37 June 10, 2008

### **TransAlta's 353 MW Sundance Coal-fired Unit 3 in Alberta Shut June 10**

Reuters, 8:46 June 10, 2008

### **Update: Sempra's 605 MW Termoelectrica De Mexicali Gas-fired Unit 1 in Mexico Returns to Service June 9**

According to the California Independent System Operator, the unit returned from an unplanned curtailment of 355 MW.

<http://www.caiso.com/unitstatus/data/unitstatus200806091515.html>

### **Update: OPG's 490 MW Nanticoke Coal-fired Unit 6 in Ontario Restarts by June 10**

The unit went offline by June 2.

Reuters, 08:29 June 10, 2008

### **Update: OPG Restarts 490 MW Lambton Coal-fired Unit 1 in Ontario June 9**

The unit shut June 5.

Bloomberg News, 17:32 June 9, 2008

### **Update: Westar Energy to Hold Ribbon Cutting Ceremony for 610 MW Gas-fired Emporia Energy Center in Kansas June 11**

The gas-fired combustion turbine peaking facility will open in two phases. The first phase is already generating energy, and should be complete later this month. The second phase will open before summer, 2009.

[http://www.westarenergy.com/corp\\_com/contentmgt.nsf/resources/2008-6-9/\\$File/2008-6-9.pdf?openelement](http://www.westarenergy.com/corp_com/contentmgt.nsf/resources/2008-6-9/$File/2008-6-9.pdf?openelement)

### **Constellation Energy Restarts 102 MW Gould Street Gas-fired Power Plant in Baltimore, Maryland After Five-Year Shutdown**

The company restarted the unit to address “growing peak energy demand in the Mid Atlantic region,” according to an company official. The unit will operate during periods of high demand.

<http://phx.corporate-ir.net/phoenix.zhtml?c=112182&p=irol-newsArticle&ID=1164047&highlight=>

### **Power Failure Briefly Halts Units at Delek's 55,000 b/d Tyler, Texas Refinery June 8**

A transformer malfunction triggered a power outage, briefly stalling numerous process units Sunday night, June 8, according to the company and a news source. Workers have returned all units to normal operations, and a Delek spokeswoman referred to the incident as "essentially a nonevent." Among the impacted units was a sulfur recovery plant. The representative did not indicate which other units were affected.

Bloomberg News, 07:10 June 10, 2008

Reuters, 11:42 June 10, 2008

### **Compressor Trips Briefly at Valero's 210,000 b/d Delaware City, Delaware Refinery June 8**

The incident temporarily affected the continuous catalyst regeneration (CCR) unit, but did not impact production, a spokesman said. The CCR is "running fine," he said.

Reuters, 09:08 June 10, 2008

### **After Oil Spill, Eni Declares Force Majeure on Brass River Crude Exports in Nigeria June 10**

An oil spill on a line from Tebidaba to Brass affected 7,500 b/d of production, according to an Eni spokesperson. The company declared forced majeure as a "precautionary measure," he said. Traders, however, said Eni's Brass River production was reduced by 45,000 b/d, out of a total 200,000 b/d. The company did not confirm that figure.

Reuters, 13:12 June 10, 2008

### **Update: Ghana Eyes 120,000 b/d Oil Output in First Quarter, 2010**

The Ghana National Petroleum Corporation (GNPC) now estimates that production from 6 offshore wells will average 20,000 b/d, for a total of 120,000 b/d, twice a previous forecast. Production should begin in the first quarter of 2010.

Reuters, 05:54 June 10, 2008

### **Petrobras, Mitsui and OSEC Plan to Test Feasibility of Oil Shale Production in Utah**

Oil Shale Exploration Company (OSEC), Brazil's state-run oil company, Petrobras, and Japan's Mitsui & Co. plan to test the feasibility of developing approximately 5,000 b/d to 10,000 b/d of oil by 2013. Eventually, the companies foresee the possibility of production reaching 50,000 b/d.

Reuters, 21:22 June 9, 2008

### **Update: Oil Prices Dip From Record Highs as CNBC Reports Saudi Arabia Boosted Crude Production by 500,000 b/d, to Total 9.45 Million b/d This Quarter**

Reuters, 09:33 June 10, 2008

## **Natural Gas**

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### **SG Resources Plans 19 Bcf Expansion at Natural Gas Storage Facility in Mississippi**

SG Resources Mississippi LLC requested FERC authorization to boost storage at its natural gas storage facility in Mississippi by about 19 Bcf. The boost would raise the facility's capacity to approximately 43 Bcf.

<http://intelligencepress.com/>

### **Spectra Energy's Algonquin Gas Transmission Files With FERC for 746 MMcf/d East to West Natural Gas Pipeline Expansion Project in U.S. Northeast**

Algonquin Gas Transmission, a Spectra Energy subsidiary, filed with the Federal Energy Regulatory Commission (FERC) for its East to West Expansion Project, according to a June 10 press release. In total, the build will boost Algonquin's natural gas transportation capacity by more than 746 million cubic feet per day (MMcf/d). The project is meant to increase deliveries of re-gasified liquefied natural gas (LNG) from the eastern portion of Algonquin's system to Northeast United States' markets. It will involve upgrades to existing compressor stations in Rhode Island, Connecticut and New Jersey. It will also include a new compressor station in Massachusetts, and about 13 miles of new pipeline in Massachusetts. The expansion should enter service by November 2009.

[http://www.spectraenergy.com/news/releases/2008/jun/20080610\\_01.asp](http://www.spectraenergy.com/news/releases/2008/jun/20080610_01.asp)

## Other News

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### **After Two-Year Lull, United States and Oil Industry are Ready for Hurricane Season— Bodman**

After “two years off” from major hurricanes, the United States and its oil industry are “well-prepared” to manage the pending hurricane season, according to U.S. Energy Secretary Samuel Bodman. Since 2005’s busy season, the oil industry has moved high-risk infrastructure away from sea-level, and readied itself for future storms. The government, meanwhile, has used the time to establish plans to cope with hurricanes and their aftermaths.

<http://www.platts.com/Oil/News/8790111.xml?p=Oil/News&sub=Oil>

## Energy Prices

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<b>U.S. Oil and Gas Prices</b>			
June 10, 2008			
	<b>Today</b>	<b>Week Ago</b>	<b>Year Ago</b>
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	132.15	125.90	64.82
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	12.71	11.80	7.52

Source: Reuters

## Energy Notes

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### **Duke Energy Reports 18,928 Customers without Power in North Carolina June 10**

As of 2:30 PM: <http://www.duke-energy.com/outages/stats/>

### **Storms Knock Out Power to 10,000 Bluewater Power Customers in Ontario, Canada Over Weekend**

<http://www.theobserver.ca/ArticleDisplay.aspx?e=1066625>

### **Duke Energy Proposes \$100 Million Plan to Install, Operate Solar Power Generation at up to 850 North Carolina Sites—Output Would Total About 20 MW**

<http://www.duke-energy.com/news/releases/2008060901.asp>

### **Manhole Fire and Power Line Issues Slow Subway Service in New York City June 8 Service Anticipated to Return to Normal June 9**

[http://pro.energycentral.com/professional/news/power/news\\_article.cfm?id=10452474](http://pro.energycentral.com/professional/news/power/news_article.cfm?id=10452474)

### **Weekend Storms, Rising Water Cause Spot Natural Gas Outages to Vectren Customers in Indiana**

<http://powermarketers.net/contentinc.net/newsreader.asp?ppa=8knpp%5E%5CkiksvuqUSmk%7DGL%7Dbfen%5Fv>

### **Pioneer Starts Oil Production at Oooguruk Unit on North Slope, Alaska—Company Expects Peak Production of 15,000 b/d to 20,000 b/d in 2010**

<http://phx.corporate-ir.net/phoenix.zhtml?c=90959&p=irol-newsArticle&ID=1163979>

### **Update: Three Years After Deadly Explosion at BP’s 437,000 b/d Texas City, Texas Refinery, Audit Finds Safety Lapses**

Bloomberg News, 00:01 June 10, 2008

**Raven Biofuels International Corporation Plans Cellulosic Ethanol Biorefinery in Washington State—Would Produce Nearly 11 Million Gallons/Year of Ethanol and Specialty Chemicals**

MKW, 10:08 June 10, 2008

**Afren's Okoro Setu Project in Nigeria to Produce 15,000 b/d of Oil by Third Quarter, 2008**

Reuters, 06:19 June 10, 2008

**For Second Straight Day, Militants Attack Addax Petroleum Oil Vessel Offshore Nigeria**

Bloomberg news, 11:40 June 10, 2008

## **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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