



ENERGY ASSURANCE DAILY

Tuesday Evening, December 11, 2007

Major Developments

1.1 Million Customers Without Power as Ice Storm Continues Rampage in Central Plains

Ice storms continued to wreak havoc throughout the Central Plains from Texas to Wisconsin on December 11. Frozen precipitation which began December 9, caused substantial accumulations of ice, which damaged power lines. As of the latest information available at 4:00 PM EST, more than 1 million customers in the region were without power. Oklahoma was the hardest hit with over 600,000 customers or a third of the state without power. The storm system also caused significant outages in Missouri, Kansas, Illinois, Iowa, and Wisconsin. Federal emergency declarations have been put in place for all 77 Oklahoma counties. Industrial-sized generators and bottled water are being deployed to provide power to shelters. Missouri, which has been in a state of emergency since Sunday, has requested crews from Arkansas and Kentucky to assist in power restoration. The ice storm has also shut a 2,300 MW coal-fired plant operated by Westar in Kansas. Company officials have been working to restore the unit.

Central Plains Customer Power Outages			
December 9-11, 2007			
Electric Utility	State	Peak	Latest Reported
AEP/Public Service of Oklahoma	Oklahoma	254,016	254,016
Oklahoma Gas & Electric	Oklahoma	302,275	302,275
OK Association of Electric Cooperatives	Oklahoma	73,420	73,420
Municipals	Oklahoma	15,000	15,000
AmerenUE	Missouri	33,148	21,230
Aquila	Missouri	67,506	67,506
Great Plains Energy	Missouri	27,000	27,000
Statewide Cooperatives	Missouri	38,000	32,000
Kansas City Power & Light	Kansas/Missouri	68,208	18,440
Empire District Electric	Kansas	58,600	58,600
Kansas Electric Cooperatives	Kansas	25,969	25,969
Westar	Kansas	84,123	82,947
Alliant	Iowa	43,000	29,636
MidAmerican	Iowa	23,576	21,073
Ameren	Illinois	17,198	10,071
Alliant	Wisconsin	13,042	10,572
Total		1,144,081	1,049,755

*Total outages only represent electric utilities listed in this table as of 4:00 PM EST.

Sources: http://www.kcpl.com/kcmaps/frameset_menu.htm

<http://www.psoklahoma.com/news/outages/viewstorm.asp?stormID=706>

<http://www.reuters.com/article/rbssIndustryMaterialsUtilitiesNews/idUSN1135747720071211>

<https://www.empiredistrict.com/DocHandler.ashx?id=2392>

<http://sema.dps.mo.gov/SitReps/SITREP12112007%2011am.pdf>

http://www.ok.gov/OEM/Emergencies_&_Disasters/2007/Winter_Weather_Event_20071209_-_Master/Winter_Weather_Event_20071209_-_8.html

<http://desmoinesregister.com/apps/pbcs.dll/article?AID=/20071211/NEWS/71211007/-1/SPORTS0803>

<http://www.kec.org/pages/Outage%20Report/update.htm>

http://www.foxbusiness.com/markets/industries/energy/article/westar-power-plant-kansas-closed-ice-storms-wsj_402706_11.html

<http://www.amec.org/IceStormInfoCtr/AffectedSystems.html>

Ice Storms Cut Power to Enbridge, TEPPCO Crude Oil Terminals in Cushing, Oklahoma Three Crude Oil Pipelines Reported Shut

Enbridge's 16.7 million barrel crude oil terminal in Cushing, Oklahoma and two pipelines that service the terminal have been shut since ice storms cut power on Monday, multiple sources reported. Enbridge closed its 125,000 b/d Spearhead pipeline, which transports crude oil from the Chicago area to Cushing, and its 200,000 b/d Ozark pipeline which runs from Cushing to Wood River in southern Illinois. Both were shut at 1:00 AM, local time, December 10. TEPPCO halted operations at its 4.5 million barrel crude oil storage terminal in Cushing, the company said. Rates are reduced, some sources said, along TEPPCO's 350,000 b/d Seaway Pipeline, which delivers crude from Houston to Cushing. Other sources, however, reported that Seaway is shut. Yesterday media sources reported that Magellan shut its 115,000 b/d, Cushing-to-Kansas Osage petroleum products pipeline, and closed terminals in Tulsa and Oklahoma City, Oklahoma. Another downed Magellan terminal in Carthage, Missouri has resumed operations, the company said late yesterday. No refineries have reported problems.

Reuters, 11:33 December 11, 2007

Reuters, 12:36 December 11, 2007

Reuters, 13:09 December 11, 2007

Bloomberg, 13:19 December 11, 2007

Bloomberg, 13:45 December 11, 2007

OPIS, 4:06 December 10, 2007

OPIS, 4:31 December 10, 2007

<http://uk.reuters.com/article/oilRpt/idUKN1149587020071211>

<http://www.reuters.com/article/companyNewsAndPR/idUSN1150003120071211>

http://www.pennenergy.com/display_article/314361/7/PRARC/none/GenIn/1/MARKET-WATCH:-Crude-prices-sag-as-rally-fails/

Electricity

Entergy's 653 MW Pilgrim Nuke Unit 1 in Massachusetts Shut December 11

The unit was shut to replace a pilot valve.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2007/>

Bloomberg News, 09:42 December 11, 2007

FirstEnergy's 1,235 MW Perry Nuke Unit 1 in Ohio Ramped Up to 65 Percent December 11

According to the Nuclear Regulatory Commission, the unit was operating at 19 percent on December 10.

Information derived from NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2007/>

Progress Energy's 872 MW Brunswick Nuke Unit 1 in North Carolina Ramped Up to 94 Percent December 11

According to the Nuclear Regulatory Commission, the unit was operating at 70 percent on December 10.

Information derived from NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2007/>

Luminant's 575 MW Big Brown Coal-Fired Unit 1 in Texas to Restart December 10

The unit tripped offline on December 10. According to Reuters, the unit was placed immediately into start-up mode.

Reuters, 16:11 December 10, 2007

FPL Gains Approval to Increase Capacity at Two Nuke Plants in Florida

On December 10, the Florida Public Service Commission unanimously approved Florida Power & Light Co.'s request to upgrade each of its four nuclear reactors at its two plants, a move that would add 414 MW of power to the grid between 2011 and 2012. Upgrades were requested at the company's 1,700 MW St. Lucie Nuke Plant and its 1,520 MW Turkey Point Nuke Plant.

<http://www.palmbeachpost.com/localnews/content/business/epaper/2007/12/10/1210FPL.html?cxtype=rss&cxsvc=7&cxcacat=6>

Petroleum

Update: FCC Returns to Service at Valero's 218,500 b/d Texas City Refinery in Texas December 11

Valero Energy Corp. has started up a fluid catalytic cracker (FCC) at its Texas City, Texas, refinery after a power disruption on Dec. 3 shut all units at the plant. A company representative said the FCC is returning to full rates of production yet all other main process units remain down.

Bloomberg News, 12:02 December 11, 2007

Process Upset Reported at Alon's 67,000 b/d Big Spring Refinery in Texas December 10

According to a report filed with state regulators, an emissions event occurred when a city-gas control valve and drum malfunctioned causing the cat tower main column to upset. Operations and maintenance are working to bring the unit back to normal rates.

<http://www2.tceq.state.tx.us/ee/main/index.cfm?fuseaction=getDetails&target=101130>

Commercial Operation Begins at 100,000 b/d Surmont Oil Sands Project in Alberta

The 25,000 b/d Phase One of the Surmont Project joint venture between ConocoPhillips and Total E&P began commercial operation December 11. The completion and full ramp-up of Phase Two is expected to occur within the next five years and will bring total peak production for both phases to approximately 100,000 b/d.

http://www.rigzone.com/news/article.asp?a_id=53855

http://www.total-ep-canada.com/press/documents/Total_Conoco.pdf

Natural Gas

Natural Gas Flowing Out of Texas Reaches Record 10 Bcf/d December 8-9 – Bentek

According to natural gas pipeline flow information monitored by Bentek, natural gas originating in Texas and flowing to other states via interstate pipelines increased to a record-high 10 Bcf/d over the weekend of December 8 to 9. The surge in Texas natural gas interstate exports is largely the result of increased production from the Fort Worth and East Texas producing basins, which has been moving eastward on CenterPoint Energy's new Carthage-to-Perryville pipeline.

Business Wire, 11:02 December 11, 2007

El Paso Announces 2.2 Bcf/d Expansion to Piceance Basin Pipeline in Colorado

On December 11, El Paso Pipeline Partners announced an expansion of its Wyoming Interstate Company (WIC) Piceance Basin lateral pipeline to transport growing natural gas supplies from producing areas in Colorado. The project provides 2.2 Bcf/d of new capacity through the installation of compression at the WIC Greasewood Compressor Station in western Colorado and at a new Midpoint Compressor Station in northwestern Colorado.

<http://investor.elpaso.com/phoenix.zhtml?c=97166&p=irol-newsArticle&ID=1086151&highlight>

FERC Grants Environmental Approval to AGL's 16 Bcf Golden Triangle Gas Storage Project in Texas December 7

The project will consist of two salt-dome storage caverns having a combined capacity of 16 Bcf to be located in Jefferson and Orange counties in Texas. The first salt dome is slated to begin commercial operations in late 2010 to early 2011, with the second cavern online in 2013.

<http://intelligencepress.com/>

Chevron to Move Forward with Angola LNG Project to Supply U.S.

The Angola LNG project plans to commercialize Angolan natural gas resources by collecting and transporting gas located offshore Angola to an onshore liquefaction plant. The project is designed to receive approximately 1 Bcf/d of associated natural gas and produce approximately 5.7 million metric tons per year of LNG and related gas liquids products. LNG from the project is anticipated in early 2012. LNG is planned to be delivered to Gulf LNG's Clean Energy regasification terminal in Mississippi for sale in the United States.

<http://www.chevron.com/news/press/release/?id=2007-12-10>

Other News

Court Will Allow Work to Continue on Uranium Enrichment Facility in New Mexico

A U.S. Circuit Court of Appeals threw out a lawsuit today that sought to halt construction of a \$1.5 billion uranium-enrichment plant that a group of energy companies is building in southeastern New Mexico. The facility, to be called the National Enrichment Facility, will produce fuel for U.S. nuclear power plants and is expected to be fully operational by 2013.

<http://www.platts.com/Electric%20Power/News/6651102.xml?p=Electric%20Power/News&sub=Electric%20Power>

Energy Prices

U.S. Oil and Gas Prices			
December 11, 2007			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	90.50	87.98	61.26
NATURAL GAS Henry Hub \$/Million Btu	7.12	7.29	6.81

Source: Reuters

Energy Notes

Update: Houston Ship Channel Reopens to Light Traffic December 11 After Closing for Fog

Reuters, 13:14 December 11, 2007

Darfur Rebel Group 'Justice and Equality Movement' Claims Attack on Chinese-run Oil Field in Sudan December 11, Report Unconfirmed

Reuters, 09:22 December 11, 2007

Harvest Energy to Consider Expanding its 115,000 b/d Newfoundland Refinery in Canada

Bloomberg News, 10:06 December 11, 2007

ConocoPhillips Announces Plans to Spend \$1 Billion on E&P in Alaska in 2008

http://www.webcenter11.com/news/state/story.aspx?content_id=3652dbed-04c0-4dbf-afc5-f2e641248b96

Total OPEC Oil Output Up 40,000 b/d in November – Platts Survey

http://www.rigzone.com/news/article.asp?a_id=53844

Venezuela to Deliver Subsidized Home Heating Oil to U.S. Poor Third Year in a Row

Reuters, 19:27 December 10, 2007

Global Oil Supplies to Remain Tight Through 2008 as Demand Grows Faster than Ability to Produce – EIA

Reuters, 12:22 December 11, 2007

Algonquin Power Completes Successful Re-Powering of its 42 MW Sanger Gas-fired Unit in California December 7

PR Newswire, 09:00 December 11, 2007

High Level of Tritium Reported in Groundwater Monitoring Well at Entergy's Palisades Nuclear Plant in Michigan December 11

Bloomberg News, 10:31 December 11, 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

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

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