



ENERGY ASSURANCE DAILY

Wednesday Evening, December 12, 2007

Major Developments

Update: Over 730,000 Customers Remain Without Power Throughout Central Plains

Utility crews throughout the Central Plains restored hundreds of thousands of customers who had lost power due to ice storms, which began affecting the region December 9. As of 4:00 PM EST today, 730,171 customers remained without power. One of the hardest hit utilities, Public Service Company of Oklahoma, estimated that customer restoration could take 7 to 10 days. Oklahoma Gas & Electric, which faced the largest number of customer outages, said that it brought in crews from Texas, New Mexico, Arkansas, Louisiana, Mississippi, and Indiana to assist in the massive restoration effort.

| Central Plains Customer Power Outages | | | |
|--|-----------------|------------------|------------------------|
| December 9-12, 2007 | | | |
| Electric Utility | State | Peak | Latest Reported |
| AEP/Public Service Co. of Oklahoma | Oklahoma | 254,016 | 185,782 |
| Oklahoma Gas & Electric | Oklahoma | 302,275 | 204,151 |
| OK Association of Electric Cooperatives | Oklahoma | 73,420 | 67,087 |
| Municipals | Oklahoma | 15,000 | 15,000 |
| AmerenUE | Missouri | 44,441 | 6,857 |
| Aquila | Missouri | 67,506 | 46,323 |
| Statewide Cooperatives | Missouri | 47,000 | 27,680 |
| Kansas City Power & Light | Kansas/Missouri | 68,208 | 4,512 |
| Empire District Electric | Kansas | 58,600 | 33,000 |
| Kansas Electric Cooperatives | Kansas | 27,026 | 27,026 |
| Westar | Kansas | 84,123 | 73,455 |
| Alliant | Iowa | 43,000 | 15,490 |
| MidAmerican | Iowa | 23,576 | 10,192 |
| Ameren | Illinois | 17,198 | 7,635 |
| Alliant | Wisconsin | 13,042 | 5,981 |
| Total | | 1,138,431 | 730,171 |

*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>
<https://www.empiredistrict.com/DocHandler.ashx?id=2392>
<http://sema.dps.mo.gov/SitReps/SITREP12112007%205pm.pdf>
http://www.ok.gov/OEM/Emergencies_&_Disasters/2007/Winter_Weather_Event_20071209_-_Master/Winter_Weather_Event_20071209_-_11.html
<http://www.kec.org/pages/Outage%20Report/update.htm>
<http://www.amec.org/IceStormInfoCtr/AffectedSystems.html>
<http://www.reuters.com/article/companyNewsAndPR/idUSN1260662520071212?pageNumber=1&virtualBrandChannel=0>
<http://phx.corporate-ir.net/phoenix.zhtml?c=106374&p=IROL-singlerelease&t=NewsRelease&id=1086669>

Update: Cushing, Oklahoma Oil Terminals, Pipelines Restart Late December 11

Widespread power outages, caused by this week's ice storms, shut several major oil terminal and pipeline facilities in Cushing, Oklahoma and other parts of the Central Plains. According to news reports, energy companies had restored or were restarting operations at these facilities as of late Tuesday.

- Enbridge was accepting deliveries at its 16.7 million barrel terminal in Cushing late Tuesday, and had restored throughput on its 125,000 b/d Spearhead pipeline, which carries crude oil from the Chicago area to Cushing. Enbridge said that throughput on its 200,000 b/d Ozark pipeline and 55,000 b/d West Tulsa pipeline, which transport crude out of the terminal, would restart later on Tuesday.
- TEPPCO restored operations at its 4.5 million barrel crude terminal in Cushing on Tuesday afternoon. The company's 350,000 b/d Seaway crude oil pipeline, however, continued to operate at reduced rates due to the inability of some customers to accept deliveries. Seaway, which runs from Houston to Cushing, is the largest pipeline supplying Cushing.
- Magellan restarted its 115,000 b/d Osage pipeline Tuesday afternoon. The pipeline transports crude oil from Cushing to refineries in Kansas. By late Tuesday, Magellan had restored operation at three fuel terminals along its petroleum products pipeline system that had been shut when they lost power. The shut terminals were located in Oklahoma City and Tulsa, Oklahoma and Carthage, Missouri.
- SemGroup Energy Partners LP, which operates pipelines and 4.8 million barrels of storage in Cushing reported that operations had been interrupted by the ice storm.

<http://uk.reuters.com/article/oilRpt/idUKN1150170920071211?pageNumber=2&virtualBrandChannel=0>

http://www.tulsaworld.com/news/article.aspx?articleID=071212_5_Power24770

<http://uk.reuters.com/article/oilRpt/idUKN1150848420071211>

http://www.tulsaworld.com/business/article.aspx?articleID=071212_5_E1_spanc77528

Electricity

Tropical Storm Olga Leaves 100,000 Residential Customers Without Power in Puerto Rico December 12

Tropical Storm Olga, a rare December cyclone, left approximately 100,000 residential customers without electricity. Many communities on the north and the east of the island are flooded. At this point, the Puerto Rican government has not requested a federal disaster declaration.

<http://churchworldservice.org/news/archives/2007/12/816.html>

Update: FirstEnergy's 1,235 MW Perry Nuke Unit 1 in Ohio Ramped Up to 96 Percent December 12

According to the Nuclear Regulatory Commission, the unit was operating at 65 percent on December 11. The unit shut by November 28, due in part to the loss of feedwater.

Information derived from NRC Power Reactor Status Reports:

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

Reuters, 07:58 December 12, 2007

Petroleum

Update: Houston Ship Channel Reopens to Tanker Traffic after Fog Clears December 12 Waterway Will Need Two Days of Clear Weather to Eliminate Backlog

The Houston Ship Channel reopened to outbound tanker traffic and other vessels at 9 a.m. local time after being shut down due to heavy fog which limited visibility. The channel had been closed for 79 of the previous 97 hours.

According to a spokesman for the Houston Pilots Organization there were 45 outbound ships and 20 inbound ships delayed this morning and it would take two days of clear weather to eliminate the backlog.

Bloomberg News, 09:58 December 12, 2007

Operations Unaffected by Fire at Sunoco's 355,000 b/d Philadelphia Refinery in Pennsylvania December 10

The fire, which was put out after two hours, occurred in a part of the refinery that was not near the processing units, according to a company spokesperson.

<http://www.delawareonline.com/apps/pbcs.dll/article?AID=/20071211/NEWS/71211017>

Bloomberg News, 09:28 December 11, 2007

Fire Reported at Exxon Mobil's 349,000 b/d Beaumont Refinery in Texas December 12

According to a filing with Texas regulators, a fire occurred due to a leak in its PtR3 reactor inlet hydrogen injection point. The company cut rates to the unit.

<http://www2.tceq.state.tx.us/ee/main/index.cfm?fuseaction=getDetails&target=101209>

Two Boilers Shut Exxon Mobil's 150,000 b/d Torrance Refinery in California December 11

According to a company spokeswoman, Exxon Mobil plans to restart two steam boilers at the refinery after they suddenly shutdown yesterday. The shutdowns are expected to have minimal impact on production.

Reuters, 15:50 December 12, 2007

U.S. Crude Oil Stocks Fall to Lowest Level since March 2005 - EIA

According to the latest inventory report from the U.S. Energy Information Administration, stockpiles of crude oil fell for the fourth week in a row to hit the lowest level since early March 2005. U.S crude stockpiles fell 700,000 barrels to 304.5 million barrels.

http://www.eia.doe.gov/pub/oil_gas/petroleum/data_publications/weekly_petrolem_status_report/current/pdf/wpsrall.pdf

Reuters, 11:23, December 12, 2007

LDH Energy Commences Expansion of Underground Refined Products Storage in Mont Belvieu, Texas

LDH Energy Mont Belvieu L.P. has commenced a major expansion and reconfiguration of storage capacity at its Mont Belvieu storage facility near Houston, Texas. The project will result in a total of 12 million barrels of refined products storage with full bi-directional connectivity to the Colonial Pipeline mainline system as well as other pipelines. At the facility, there are currently two wells with a total capacity of 4 million barrels that are dedicated to refined products storage. The expansion project is targeted to initially add an additional 8 million barrels of underground cavern storage for refined products service. Further expansion will be based on market demand.

http://www.businesswire.com/portal/site/google/index.jsp?ndmViewId=news_view&newsId=20071212005842&newsLang=en

Natural Gas

ExxonMobil Announces Plans for Floating LNG Terminal Offshore New Jersey

ExxonMobil Corporation announced Tuesday that it has plans to seek regulatory approval for BlueOcean Energy, a 1.2 Bcf/d floating liquefied natural gas (LNG) receiving terminal to be located 20 miles off the coast of New Jersey. The terminal, which will receive tanker shipments from international suppliers twice a week, will regasify the LNG and deliver it to customers in New Jersey and New York via a new subsea pipeline. The subsea line will connect to new and existing onshore pipelines. BlueOcean Energy is at the start of a lengthy and rigorous permitting process involving state and federal agencies, as well as the general public. If all permits are received, the terminal will enter operation in 2015.

http://www.businesswire.com/portal/site/exxonmobil/index.jsp?ndmViewId=news_view&ndmConfigId=1001106&newsId=20071211006138&newsLang=en&vnsId=-2147483648

Rockies Express Pipeline Completes Open Season for 1.5 Bcf/d Northeast Expansion

Rockies Express Pipeline LLC (REX) announced December 12 that it has completed a successful non-binding open season for the Northeast Express project, a 375-mile extension of REX that would extend the pipeline's route from Clarington, Ohio, and add capacity to receive volumes from Lebanon, Ohio, to the endpoint in Princeton, New Jersey. REX officials reported that market interest during the open season exceeded the pipeline's initial design estimate of 1.5 Bcf/d. Subject to receipt of sufficient binding commitments and regulatory approvals, the pipeline extension could go into service in late 2010.

http://public.sempra.com/newsreleases/viewPR.cfm?PR_ID=2235&Co_Short_Nm=SE

Other News

Nothing to report.

Energy Prices

| U.S. Oil and Gas Prices December 12, 2007 | | | |
|--|--------------|-----------------|-----------------|
| | Today | Week Ago | Year Ago |
| CRUDE OIL West Texas Intermediate U.S. \$/Barrel | 94.13 | 88.40 | 61.08 |
| NATURAL GAS Henry Hub \$/Million Btu | 7.22 | 7.04 | 6.93 |

Source: Reuters

Energy Notes

Tanker Spills 25,000 Barrels of Crude Oil While Loading at Statfjord Field in Norwegian North Sea

Reuters, 10:55 December 12, 2007

Maine's Electricity Distribution Needs to be Upgraded - Central Maine Power Co.

<http://www.msnbc.msn.com/id/22198525/>

St. Gabriel Well in Louisiana Could Hold 5 Million Barrels of Oil, 36 Bcf of Gas

http://www.rigzone.com/news/article.asp?a_id=53902

Petrobras Starts Up New 180,000 b/d Rig in Campos Basin in Brazil December 12 after Month of Delays

Reuters, 09:05 December 12, 2007

Petroecuador's Crude Oil Exports Fell 7.7 Percent in November

Reuters, 12:00 December 12, 2007

Iraq, Syria Agree to Speed Up Reactivation of 300,000 b/d Oil Pipeline from Kirkuk to the Mediterranean

Reuters, 10:35 December 12, 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>.

Please direct comments and questions to: ead@oe.netl.doe.gov