



ENERGY ASSURANCE DAILY

Wednesday, January 03, 2007

Electricity

Update: Thousands Still Without Power in Midwest

May be Weeks Before Power Fully Restored

ABC News reported last night that that at least 21,000 customers in western Kansas were without power, as were an estimated 15,000 customers in Nebraska and more than 6,000 in Colorado and Oklahoma. It will take weeks to completely restore power because so many utility poles were knocked over by the ice storm. Sunflower Electric in Kansas for example reports that all of its power poles along a 25 mile line west of Sublette were toppled by the ice. Sunflower reports 15,000 customers still without power today down from a high of 22,000.

http://www.siouxcityjournal.com/articles/2007/01/03/news/latest_news/6fb7ad676bdea681862572580058dc11.txt

http://abclocal.go.com/wabc/story?section=nation_world&id=4901887

<http://www.ketv.com/weather/10660931/detail.html?rss=oma&psp=news>

http://www.kansas.com/mls/kansas/news/16372207.htm?source=rss&channel=kansas_news

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7608394

FERC Conditionally Accepts Proposed Revisions to Midwest ISO Operational Protocols

FERC issued an order on compliance filing on December 29, 2006 in which it conditionally accepted to proposed revisions to Midwest Independent Transmission System Operator, Inc.'s (Midwest ISO) Operational Protocols for Existing Generators. The conditions require Midwest ISO to make a further compliance filing.

FERC, Docket No. ER02-488-004, December 29, 2006,

<http://elibrary.ferc.gov/idmws/nvcommon/NVViewer.asp?Doc=11217484:0>

Dominion's 612 MW Brayton Point Coal/Gas-fired Unit 3 in Massachusetts Shut January 3

Reuters, 13:28 January 3, 2007

TVA's 1,300 MW Cumberland Coal-fired Unit 1 in Tennessee Shut January 3

Reuters, 13:28 January 3, 2007

First Energy's 780 MW Bruce Mansfield Coal-fired Unit in Pennsylvania Shut January 3

Reuters, 13:28 January 3, 2007

FirstEnergy's 597 MW Eastlake Coal-fired Unit 5 in Ohio Shut January 3

Reuters, 13:28 January 3, 2007

OPG's 494 Lambton Coal-fired Unit 4 in Ontario Shut January 3

The unit is expected to be back in service tomorrow, January 4.

Reuters, 13:28 January 3, 2007

OPG's 535 Lennox Oil/Gas-fired Unit 1 in Ontario Shut January 3

The unit is expected to be back in service tomorrow, January 4.

Reuters, 13:28 January 3, 2007

OPG's 535 Lennox Coal-fired Unit 2 in Ontario Shut January 3

The unit is expected to be back in service tomorrow, January 4.

Reuters, 13:28 January 3, 2007

Petroleum

155,000 b/d of Oil Production Shut in Near Australia due to Tropical Cyclone Isobel

About 150,000 b/d of oil was shut in on Australia's North West Shelf as the cyclone neared West Australia late on January 3, 2007. Woodside Petroleum shut in about 100,000 b/d, at its Cossack Pioneer vessel while Santos shut in its 55,000 b/d at its Mutineer-Exeter field. Cyclone Isobel was rated a category one storm Wednesday morning, with winds of up to 62 miles per hour.

<http://www.platts.com/Oil/News/9711746.xml?p=Oil/News&sub=Oil>

Iraq Resumes Flow of Crude Oil from Kirkuk

Oil Daily, January 3, 2007

Natural Gas

Houston Natural Gas Pipeline Ruptures and Catches Fire after Car Crash January 2

Two cars collided in Houston about 7:15 p.m. (CST) causing one of the cars to fly over a fence and land on a natural gas pipeline operated by Capano Energy. The car tore a two-inch hole in the high pressure pipe which then caused the gas to be released at 600 psi. The large amount of gas quickly exiting the pipeline hole ignited and caused a huge explosion and fireball some 80 to 100 feet high. Firefighters were unable to contain the fire which was extinguished when responders from Capano Energy and Energy Transfer Partners were able to shut off the gas upstream of the rupture and shut off the gas from its lines leading away the fire about 45 minutes after the pipeline rupture. The crash and subsequent fire also damaged power lines, causing as many as 3,600 CenterPoint Energy customers to lose power. All but 280 customers were restored within two hours.

<http://www.chron.com/disp/story.mpl/metropolitan/4438377.html>

<http://www.platts.com/Natural%20Gas/News/6335467.xml?p=Natural%20Gas/News&sub=Natural%20Gas>

<http://www.click2houston.com/news/10650959/detail.html>

http://www.houstonist.com/archives/2007/01/02/car_crash_cause.php

Falcon's MoBay Storage Hub Accepts FERC Certificate Announces Open Season for Remaining Capacity

The Federal Energy Regulatory Commission (FERC) has issued a Certificate of Public Convenience and Necessity under Section 7 of the Natural Gas Act authorizing MoBay Storage Hub LLC to develop and operate the MoBay Storage Hub Project in Southern Alabama. The MoBay Storage Hub will provide 50 Bcf of working gas and 1.0 Bcfd of injection and withdrawal capacity at Coden, Alabama. The MoBay header system will provide direct, bi-directional receipt and delivery points with the Florida Gas Transmission pipeline, Gulfstream pipeline, Gulf South pipeline and Transco pipeline. Via backhaul or displacement, MoBay shippers will be able to access the expanded Destin pipeline system.

[http://www.falcongassstorage.com/fw/main/Falcon's_MoBay_Storage_Hub_Accepts_FERC_Certificate-21.html?ModKey=mk\\$cm\\$sc&LayoutID=13&CntID=13](http://www.falcongassstorage.com/fw/main/Falcon's_MoBay_Storage_Hub_Accepts_FERC_Certificate-21.html?ModKey=mkcmsc&LayoutID=13&CntID=13)

Concerned About the Potential for Leaks, Ohio PUC Asks LDCs to Begin Surveying Customer-owned Natural Gas Lines

On January 2, 2007, Ohio Public Utilities Commission Chairman Alan Schriber asked natural gas distribution companies in the state to begin surveying immediately a portion of the customer-owned gas service lines. The letter follows a November report by PUCO staff that found some customer-owned service lines may be susceptible to leaks under certain circumstances. Schriber also asked that companies discuss taking over responsibility for the customer-owned gas service lines in comments due to PUCO on February 5.

Under the current system, the customer is responsible for the lines.

<http://www.platts.com/Natural%20Gas/News/6335466.xml?p=Natural%20Gas/News&sub=Natural%20Gas>

FERC OKs Texas Gas Laterals for Pre-Filing Process

FERC has approved Texas Gas Transmission LLC's request to begin an early review of its proposed Fayetteville and Greenville laterals under the agency's pre-filing process of the National Environmental Policy Act.

NGI, Daily Gas Price Index, January 3, 2007

<http://intelligencepress.com>

Canadian Natural Gas Production Down Significantly in 2006

With warmer than normal winters this season and last, no hurricane damage to off shore gas facilities in the Gulf of Mexico in 2006, and massive amounts of gas in storage, natural gas prices plunged in 2006, compared to 2005. These lower prices (see Prices table below) have resulted in lower production of natural gas in Canada. World Gas Intelligence, January 3, 2007, http://www.energyintel.com/PublicationHomePage.asp?publication_id=10

Other News

STB Review of DM&E's PRB Expansion Upheld in Appeals Court

The Surface Transportation Board announced that its decision granting final approval to Dakota, Minnesota & Eastern Railroad (DM&E) to construct a 280-mile rail line into Wyoming's Powder River Basin, subject to extensive environmental mitigation conditions, was affirmed today by the United States Court of Appeals for the Eighth Circuit. Several parties had challenged the adequacy of the Board's most recent environmental review in the matter. In its decision, the court rejected those challenges and upheld the Board's decision in all respects. DM&E is awaiting a decision from the Federal Railroad Administration on a \$2.3 billion loan application that would allow it to build a 280-mile rail line into the southern PRB of Wyoming, along with upgrading its existing network. http://www.stb.dot.gov/_85256593004F576F.nsf/0/F57C256BC93E7C3B8525725200761856?OpenDocument
<http://www.platts.com/Coal/News/6335468.xml?p=Coal/News&sub=Coal>

Energy Prices

| U.S. Oil and Gas Prices | | | |
|--|-------|----------|----------|
| January 3, 2007 | | | |
| | Today | Week Ago | Year Ago |
| CRUDE OIL West Texas Intermediate U.S. \$/Barrel | 58.31 | 60.31 | 63.11 |
| NATURAL GAS Henry Hub \$/Million Btu | 5.47 | 5.54 | 9.11 |

Source: Reuters

Energy Notes

More Power Outages Hit Puget Sound Area January 2: 21,500 Customers Lose Power

http://seattletimes.nwsources.com/html/localnews/2003506630_webweather02.html?syndication=rss
http://seattletimes.nwsources.com/html/localnews/2003507085_weather03m0.html?syndication=rss

Oil Falls the Most Since April 2005 as Mild Weather Cuts Demand

Bloomberg News, 13:18 January 3, 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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