



# ENERGY ASSURANCE DAILY

Wednesday, February 14, 2007

## Major Development

### Winter Storm Knocks Out Power to Nearly 400,000 Customers in Midwest, Mid-Atlantic

A snow and ice storm swept across the Midwest and Mid-Atlantic states Wednesday, knocking out power to hundreds of thousands from Ohio and Kentucky in the Midwest and from Virginia to New York in the Middle Atlantic.

Midwest/Mid-Atlantic Ice and Snow Storm			
February 13-14, 2007			
Electric Power Company	State	Peak	Latest
Baltimore Gas & Electric	MD	90,000	86,386
Duke Energy	OH, KY	79,000	50,000
Dominion Power	VA	65,000	17,390
Pepco Holdings	MD, MD, NJ, VA, DC	52,000	
Jersey Central Power & Light	NJ	45,000	23,000
Long Island Power Authority	NY	20,000	20,000
AEP Appalachian Power	VA	17,850	17,850
AEP Ohio	OH	13,825	13,825
Toledo Edison	OH	10,000	1,000
Southern Maryland Electric Cooperative	MD	6,674	6,674
<b>TOTAL*</b>		<b>399,349</b>	

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

Sources: BG&E: <http://www.bge.com/portal/site/bge/menuitem.3465c31fe4bb492164d35302025166a0>

JCP&L: [http://www.firstenergycorp.com/outages/outages.do?state\\_code=NJ](http://www.firstenergycorp.com/outages/outages.do?state_code=NJ)

Duke Energy: [http://www.cinergycge.com/ohres/outage\\_information/power\\_outages.asp](http://www.cinergycge.com/ohres/outage_information/power_outages.asp)

AEP Ohio: <http://www.aepohio.com/news/outages/viewstorm.asp?stormID=614>

AEP Appalachian Power: <http://www.appalachianpower.com/news/outages/viewstorm.asp?stormID=615>

Toledo Edison: [http://www.firstenergycorp.com/outages/outages.do?state\\_code=OH](http://www.firstenergycorp.com/outages/outages.do?state_code=OH)

LIPA: <http://www.lipower.org/stormcenter/outagemap.html>

Dominion: [http://www.dom.com/news/outage\\_sos.jsp](http://www.dom.com/news/outage_sos.jsp)

[http://today.reuters.com/news/articleinvesting.aspx?view=CN&storyID=2007-02-14T205057Z\\_01\\_N14469543\\_RTRIDST\\_0\\_UTILITIES-OUTAGES-MIDATLANTIC-UPDATE-1.XML&rpc=66&type=qcna](http://today.reuters.com/news/articleinvesting.aspx?view=CN&storyID=2007-02-14T205057Z_01_N14469543_RTRIDST_0_UTILITIES-OUTAGES-MIDATLANTIC-UPDATE-1.XML&rpc=66&type=qcna)

<http://www.nbc24.com/Global/story.asp?S=6084381&nav=1a15>

<http://www.toledoblade.com/apps/pbcs.dll/article?AID=/20070214/NEWS12/702140449>

Bloomberg News, 7:57 February 14, 2007

<http://www.newsday.com/news/local/longisland/ny-weather0215.0.1024647.story?coll=ny-linews-headlines>

## Electricity

### Update: TVA's 1,114 MW Browns Ferry Nuke Unit 3 in Alabama Ramps Up to 82 Percent February 14

The unit exited an outage and ramped up to 82 percent of capacity by early Wednesday. The unit tripped offline on February 9 due to low reactor water level.

Reuters, 07:25 February 14, 2007

## **Nipsco's 361 MW Schahfer Coal-fired Unit 17 in Indiana Shut February 13**

Reuters, 07:58 February 14, 2007

## **Old Plants, New Plants Improve Texas Electricity Reserve Situation for 2008 - ERCOT**

The Electric Reliability Council of Texas (ERCOT) has said that the return of as much as 3,200 megawatts of older, less-efficient generation and two new power plants should alleviate a dangerously tight supply forecast in Texas for 2008. ERCOT has increased its supply estimates in Texas by 3,059 megawatts, enough to raise the 2008 reserve margin to 13.2 percent. Last year, ERCOT warned that increased electricity demand could send reserve margins to 11.8 percent in 2008, below the 12.5 percent minimum needed to avoid blackouts.

Reuters, 13:39 February 14, 2007

## **Florida PSC Adopts Rules to Facilitate Nuclear Power Development**

On February 13, the Florida Public Service Commission voted to adopt new rules designed to facilitate the development of new nuclear power stations in the state. The commission's action is designed to promote financial investment and make cost recovery easier.

<http://www.platts.com/Nuclear/News/7091369.xml?p=Nuclear/News&sub=Nuclear>

<http://biz.yahoo.com/bizj/070214/1417479.html?v=1>

## ***Petroleum***

---

### **Saudi Al Qaeda Wing Urges Attacks Against Global U.S. Oil Interests Security Awareness Heightened at Critical Canadian Oil Infrastructure**

The Saudi wing of Al Qaeda called for attacks on U.S. oil sources around the world in its e-magazine Sawt al-Jihad, saying that targets should not be limited to the Middle East and identifying Canada, Venezuela and Mexico as top U.S. oil suppliers. Al Qaeda said: "targeting oil interests includes production wells, export pipelines, oil terminals and tankers and that can reduce U.S. oil inventory, forcing it to take decisions it has been avoiding for a long time and confuse and strangle its economy." The magazine also vowed new attacks against oil targets in Saudi Arabia. Alberta's oil and gas regulator, the Alberta and Energy and Utilities Board, said that there was a heightened awareness of security needs at "critical infrastructure" in Alberta following the web posting, but it had not raised security levels. According to the Vancouver Sun, the Royal Canadian Mounted Police urged officials with Kinder Morgan Inc.'s Terasen Gas unit to take precautions.

Reuters, 11:57 February 14, 2007

Reuters, 11:21 February 14, 2007

Bloomberg News, 08:30 February 14, 2007

### **More States Issue, Extend Hours-of-Service Exemptions for Heating Fuel Deliveries**

On February 13 and 14, six states including Connecticut, New Hampshire, Maine, Massachusetts, Maryland and Missouri, either extended or issued orders to waive hours-of-service limitations on truck drivers that deliver home heating fuel. This brings to 20, the number of states with hours-of-service waivers in effect. Other States with waivers currently in effect are Minnesota, Iowa, Illinois, Indiana, Ohio, Kentucky, West Virginia, Virginia, Delaware, Pennsylvania, New Jersey, New York, Vermont, and Oklahoma.

<http://www.npga.org/i4a/pages/index.cfm?pageid=832>

### **Fire Slows Crude Runs at Valero's 210,000 b/d Delaware City Refinery February 13**

Yesterday, a Valero spokesperson said that the refinery's crude unit was running at reduced processing rates after the unit caught fire earlier in the day. The fire started around 12:44 p.m. EST and was put out by 1:30 p.m. The fire is the second at the plant in five days. Last Friday, a fire broke out in the refinery's hydrocracking unit. Valero said that incidents would not significantly impact production at the refinery.

Bloomberg News, 15:04 February 13, 2007

Reuters, 17:10 February 13, 2007

### **Update: Barge Traffic on Illinois and Upper Mississippi Rivers to Return to Normal Next Week**

According to the U.S. Army Corps of Engineers (USACE), normal petroleum barge traffic on the Illinois River and the upper Mississippi could resume late next week, after slowing to a halt in the past week due to icy conditions. Several restrictions issued by USACE remained in place this week, including one-way vessel traffic at some locations and limits on the number of barges that can travel side by side. Many barge companies have ceased operations fearing equipment damage.  
Reuters, 13:04 February 14, 2007

### **Petrobras to Add 100,000 b/d Capacity at its Pasadena Refinery in Texas**

On February 13, Petrobras announced that it plans to double the capacity of its refinery in Pasadena, Texas to 200,000 b/d by adding 100,000 b/d of capacity capable of handling heavy crude oil. The expansion is expected to be in place by 2010. Petrobras (the state oil company of Brazil) owns 50 percent of the refinery with Astra Oil owning the remaining 50 percent.  
<http://www.platts.com/Oil/News/7091030.xml?p=Oil/News&sub=Oil>

### **Update: Marathon Will Pursue Garyville Refinery Expansion in Louisiana**

Following the State-of-the-Union address, Marathon indicated that it was reconsidering the expansion of the refinery in light of the announced goal by the President to cut gasoline consumption. The company reevaluated plans but has decided to pursue the addition of 180,000 b/d of capacity which will shift output from 65 percent gasoline and 35 percent diesel to a 50-50 mix.  
<http://www.platts.com/Oil/News/7091037.xml?p=Oil/News&sub=Oil>

### **Oil Nationalization Threatens New Output - Bodman**

U.S. Energy Secretary Samuel Bodman said today that “moves to restrict foreign investment and increase the reach of state-run energy industries limit access to capital and to the expertise needed to unlock new resources.”  
Reuters, 13:25 February 14, 2007

### **IEA Boosts Oil Demand Forecast for 2007**

The International Energy Agency (IEA) announced an increase to its latest forecast for world oil demand. The IEA now foresees an increase of 1.55 million b/d in world oil demand compared to its earlier forecast of 1.39 million b/d. IEA also indicated that there are signs that the market is tightening as well.  
<http://www.platts.com/Oil/News/8883147.xml?p=Oil/News&sub=Oil>

### **Update: New SPR Addition in Mississippi to be Officially Designated February 14**

Secretary of Energy Bodman will sign the Record of Designation officially identifying Richton, Mississippi as the site for the planned expansion of the Strategic Petroleum Reserve (SPR). The site will be connected to the interstate pipeline system, refiners in the area and to marine facilities as well.  
Oil Daily, February 14, 2007

## ***Natural Gas***

---

Nothing to report.

## ***Other News***

---

Nothing to report.

## Energy Prices

---

U.S. Oil and Gas Prices			
February 14, 2007			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	58.43	57.63	60.30
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	8.90	7.90	7.35

Source: Reuters

## Energy Notes

---

### U.S. Tariff on Imported Ethanol Should be Kept in Place Through 2008 – Bodman

Bloomberg News, 11:58 February 14, 2007

### U.S. Opposes Creation of Natural Gas Producers Group – Bodman

Reuters, 11:11 February 14, 2007

### Chavez Invites United States to Stop Buying Venezuelan Oil

Reuters, 13:56 February 14, 2007

### Excelerate Completes First Ship-to-Ship Transfer of LNG

<http://intelligencepress.com/>

## 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](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](mailto:ead@oe.netl.doe.gov)