



# ENERGY ASSURANCE DAILY

Tuesday, June 19, 2007

## ***Electricity***

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### **Storms Knock Out Power to About 80,000 Customers in Illinois, Indiana, and Wisconsin June 18**

A powerful storm system moved across the Great Lakes region yesterday, knocking out power to approximately 47,000 ComEd customers in Illinois, 16,000 NIPSCO customers in Indiana, and 16,000 WE Energies customers in Wisconsin. As of 6 a.m. local time today, fewer than 1,000 ComEd customers remained without power. As of 6 a.m. local time today, NIPSCO had restored power to more than 8,000 customers and the company anticipated that power will be restored to most customers by early tomorrow morning. Damage to NIPSCO's electric distribution infrastructure includes up to a dozen broken utility poles that need to be reset, fallen trees that need to be cleared, and power lines that need to be restrung. As of late yesterday evening, 7,900 WE Energies customers remained without power.

<http://www.nipSCO.com/news/061907.pdf>

[http://www.thetimesonline.com/articles/2007/06/19/news/top\\_news/doc6c9df836aa4b4c5a862572ff0011d6e6.txt](http://www.thetimesonline.com/articles/2007/06/19/news/top_news/doc6c9df836aa4b4c5a862572ff0011d6e6.txt)

<http://www.dailyherald.com/news/dupagestory.asp?id=324147&cc=d&tc=&t>

<http://www.wbbm780.com/pages/594049.php?contentType=4&contentId=620740>

<http://www.gazetteextra.com/wx061907.asp>

### **Attempted Copper Theft at Substation Responsible for Power Outage to 2,500 Atlantic City Electric Co. Customers in New Jersey June 19**

[http://www.pressofatlanticcity.com/top\\_story/story/7486282p-7381340c.html](http://www.pressofatlanticcity.com/top_story/story/7486282p-7381340c.html)

### **Vandals Topple Power Pole, Knock Out Power to 5,700 APS Customers in Goodyear, Arizona June 19**

<http://kvoa.com/Global/story.asp?S=6676300>

### **Update: SCE's 1,070 MW San Onofre Nuke Unit 2 in California at 96 Percent June 19**

According to a report from the Nuclear Regulatory Commission, the unit was operating at 96 percent of capacity as of early morning on June 19, up from 28 percent as it exited an outage over the weekend.

Reuters, 07:29 June 19, 2007

### **Exelon's 1,052 MW Clinton Nuke Unit in Illinois Reduced to 15 Percent June 19**

According to a report from the Nuclear Regulatory Commission, the plant was reduced to 15 percent of capacity by early morning June 19.

Reuters, 07:23 June 19, 2007

### **Update: Special Inspection at Point Beach Nuke by NRC Underway June 18**

A special inspection by the Nuclear Regulatory Commission has begun at the Point Beach nuclear power plant to determine the cause of a problem with an auxiliary feedwater pump. The inspection will also review the incidents which occurred on June 9 and June 11, with respect to safety significance. The NRC will issue a report within 30 to 45 days following completion of the inspection.

<http://www.platts.com/Nuclear/News/7442036.xml?p=Nuclear/News&sub=Nuclear>

Reuters, 19:23 June 18, 2007

## **NRC Approves Exelon's Quad Cities Nuke to Operate Continuously at Higher Rate**

Following extensive monitoring and testing, the Nuclear Regulatory Commission notified Exelon that both units 1 and 2 at its Quad Cities nuclear plant could now operate continuously at an increased rate. The units had been uprated in 2001 but steam dryers were damaged by flow induced vibration following the increased output.

<http://www.platts.com/Nuclear/News/6393595.xml?p=Nuclear/News&sub=Nuclear>

## **New York ISO Expects to have Adequate Power Supplies for Coming Summer**

Absent unexpectedly hot weather, the New York Independent System Operator (NYISO) anticipates that the region will have an adequate supply of electricity this summer.

[http://biz.yahoo.com/ap/070618/ny\\_electricity\\_demand.html?.v=1](http://biz.yahoo.com/ap/070618/ny_electricity_demand.html?.v=1)

## **California PUC: State Needs Fossil Fuel Power Plants to Meet Electricity Demand**

The president of the California Public Utilities Commission (CPUC) said that despite increasing use of renewable fuels, the state needs fossil fuel-fired power plants to meet future base-load demand. Michael Peevey speaking at an energy forum said that older plants will need to be replaced by more efficient plants. While Peevey did not completely rule out the use of coal as a fuel, he stated that coal-fired generation would only be acceptable with clean coal technologies.

Reuters, 19:03 June 18, 2007

## ***Petroleum***

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### **Leaks Curb Output at Flying J's 68,000 b/d Bakersfield, California Refinery June 15**

According to a newspaper report, the refinery was partially shut down and gasoline production curtailed by 30 to 40 percent so that workers could search for leaks. All underground pipelines were closed and being tested. Testing has been completed on 90 percent of the pipelines but no leak had been found.

Bloomberg News, 09:15 June 19, 2007

### **Update: FCCU Back at Full Rates at Alon's 70,000 b/d Big Spring, Texas Refinery June 19**

The company reported that the fluid catalytic cracking unit (FCCU) had been repaired and was operating at full capacity. The company said the shutdown had not had an impact on production. Earlier in a filing with state regulators, the company indicated that the unit would be operated at reduced rates to repair a compressor. A company representative stated that the filing had been a "worst case scenario" to cover the eventuality that repairs might take longer than expected.

Reuters, 09:03 June 19, 2007

Bloomberg News, 10:48 June 19, 2007

Reuters, 01:20 June 19, 2007

### **Pasadena Refining Searching for Leak at 117,000 b/d Pasadena, Texas Refinery June 18**

On June 18, operators at the refinery began searching for the source of excess amounts of butane, butene, propane, and propylene in a complex cooling tower that serves several units at the facility. According to a report from Bloomberg News, on June 19, the search was focused on the heat exchanger of the alkylation unit. The company indicated that there had been no impact on production because of the problem.

Reuters, 19:25 June 18, 2007

Bloomberg News, 12:04 June 19, 2007

### **Valero Reports Power Train Malfunction at 170,000 b/d McKee, Texas Refinery June 18**

The refinery continues to operate at 100,000 b/d following a fire that occurred in February 2007. The company anticipates that production will be at 150,000 b/d by the end of June.

Bloomberg News, 12:14 June 19, 2007

### **Update: Bonds Sought by Valero for Norco, Louisiana Refinery Expansion Project Approved June 18**

The St. Charles parish council approved the \$1 billion of bonds sought by Valero for the possible expansion of the refinery. Valero will determine later this year whether or not to proceed with the 160,000 b/d expansion at the site.

Reuters, 09:09 June 19, 2007

### **Update: Floating Storage in the U.S. Gulf to be Redeployed**

According to a report from Reuters, oil traders are not extending charters on the oil tankers that had been storing up to 19 million bbls of oil in the U.S. Gulf of Mexico. Oil traders had been storing the oil in part because of the strong contango in price between futures prices and prompt prices, and because of a number of refinery problems that have reduced available onshore storage capacity.

Reuters, 12:53 June 19, 2007

### **Update: Eni Declares Force Majeure at Occupied Flow Station in Nigeria**

According to an unidentified spokesman for the company, the timing of the force majeure at the Ogbainbiri flow station is uncertain. The flow station remains occupied and Eni is negotiating with the militants. Approximately 37,000 b/d move through the facility daily and ENI has an equity share of 5,500 b/d of that amount.

Bloomberg News, 10:23 June 19, 2007

### **Update: Chevron Restores Output at 42,000 b/d Abiteye Flow Station in Nigeria June 19**

According to a company representative, the occupation of the facility has ended and production has been completely restored. The station was attacked on June 17.

Reuters, 11:39 June 19, 2007

### **Update: Nigerian Unions Reject Government Offer; Strike to Go Ahead as Planned**

Nigerian labor unions have rejected an offer by the government and have indicated that only a complete reversal of the planned increase in price for fuel will avert a planned strike from beginning on June 20. Union leaders have indicated that the strike would be total, involving oil production and exports. Previous strikes have had little impact on the industry since they take time to develop and are typically resolved within a few days.

Bloomberg News, 08:47 June 19, 2007

Reuters, 13:55 June 19, 2007

### **Violence and Unrest in Nigeria Propel Oil Price to Highest Point in 10 Months**

Weekend attacks on oil installations, abductions of workers, and a threatened industry-wide strike by oil workers combined to push oil prices on June 18 to their highest level in 10 months as the markets became concerned about the impact of events on the oil sector in the country.

Oil Daily, June 19, 2007

[http://www.energyintel.com/PublicationHomePage.asp?publication\\_id=31](http://www.energyintel.com/PublicationHomePage.asp?publication_id=31)

### **Iran Will Not Put Aside Oil as Policy Tool - Iranian Oil Official**

An Iranian oil official indicated that the country has not ruled out using oil in negotiations regarding the nuclear issue. In an interview with Iran's Sharq newspaper, Hossein Kazempour Ardebili, OPEC governor specifically tied the warning to the position of the U.S. that military action in regard to the nuclear issue has not been ruled out, saying that "Iran can also say that it will not put aside oil as a tool."

[http://news.yahoo.com/s/nm/20070619/wl\\_nm/iran\\_energy\\_weapon\\_dc\\_3;vlt=A1SnIomnj4qBMq4atOUsBVSAsns](http://news.yahoo.com/s/nm/20070619/wl_nm/iran_energy_weapon_dc_3;vlt=A1SnIomnj4qBMq4atOUsBVSAsns)  
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## **Natural Gas**

### **Gulf of Mexico Only Region in World to Show Gain in Number of Working Rigs in April**

According to the latest information from Summary of Current Offshore Rig Economics by GlobalSanteFe.

<http://intelligencepress.com/>

### **CEO of EnCana Sees Natural Gas Drilling Downturn in Western Canada Continuing for Two Years**

<http://www.cbc.ca/cp/business/070618/b061890A.html>

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## **Other News**

Nothing to report

## Energy Prices

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<b>U.S. Oil and Gas Prices</b>			
June 19, 2007			
	<b>Today</b>	<b>Week Ago</b>	<b>Year Ago</b>
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	69.28	65.00	69.05
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	7.46	7.45	6.71

Source: Reuters

## Energy Notes

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### **Transformer Malfunction Knocks Out Power to 11,000 Westar Energy Customers in Wichita, Kansas June 19**

<http://wichita.bizjournals.com/wichita/stories/2007/06/18/daily12.html>

### **Truck Crash, Faulty Equipment Knock Out Power to 11,000 Tucson Electric Power customers in Arizona June 18**

<http://www.tucsoncitizen.com/daily/local/54952.php>

### **Update: Seminole Energy Services Extends Open Season for Nebraska Pipeline Project**

[http://home.businesswire.com/portal/site/google/index.jsp?ndmViewId=news\\_view&newsId=20070615005681&newsLang=en](http://home.businesswire.com/portal/site/google/index.jsp?ndmViewId=news_view&newsId=20070615005681&newsLang=en)

### **Survey Says Utility Executives Most Concerned about CO2 Caps and Meeting Demand Growth**

<http://www.platts.com/Electric%20Power/News/6393995.xml?p=Electric%20Power/News&sub=Electric%20Power>

### **U.S. House of Representatives Approves Funds to Create International Nuclear Fuel Bank**

[http://pro.energycentral.com/professional/news/power/news\\_article.cfm?id=8457273](http://pro.energycentral.com/professional/news/power/news_article.cfm?id=8457273)

### **Agreement Requires LNG Tankers Serving Proposed Excelerate and Suez Energy LNG Offshore from Massachusetts to Have Crews Consisting of 25 Percent Americans**

[http://www.boston.com/news/local/articles/2007/06/17/agreement\\_requires\\_a\\_us\\_presence\\_ aboard\\_tankers/](http://www.boston.com/news/local/articles/2007/06/17/agreement_requires_a_us_presence_ aboard_tankers/)

Oil Daily, June 19, 2007

### **Initial Crude Oil Production from 50,000 b/d Tui Project Offshore New Zealand, Delayed Until July**

<http://www.platts.com/Oil/News/9360931.xml?p=Oil/News&sub=Oil>

### **Ontario Provincial Government Commits to Shut Remaining Coal-fired Plants by 2014 to Cut Greenhouse Emissions**

Reuters, 15:44 June 18, 2007

<http://www.canada.com/topics/news/national/story.html?id=52a56379-6132-49c0-a1e2-908511c7b84f&k=43233>

## 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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*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>.

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