



# ENERGY ASSURANCE DAILY

Tuesday, July 18, 2006

## Major Developments

### Severe Storms Knock Out Power to at Least 470,400 Customers in U.S. Midwest July 17 At Least 307,000 Customers Remain Without Power July 18 Morning

Heavy storms ravaged the Midwest, knocking out power to at least 470,400 customers in Michigan, Illinois, Indiana and Wisconsin Monday night. As of this morning at least 307,000 remained without power: 190,000 Consumers Energy customers in Michigan, 75,000 Commonwealth Edison customers in northern Illinois, 32,000 DTE customers in Michigan, and 10,000 Indiana Michigan Power customers in northern Indiana and southern Michigan. Wisconsin Energy Corp. customers also experienced outages yesterday but the company has not reported how many. The major population centers of Chicago, Detroit and Milwaukee are in the affected regions. Across the border in Canada, the storms knocked out power to almost 100,000 customers in Quebec and 55,000 customers in Ontario.

U.S. Midwest T-Storm Power Outages			
July 17-18, 2006			
Electric Power Producers	State	Peak	Current
Consumers Energy (CMS)	Michigan	285,000	<a href="#">Storm Updates</a>
Commonwealth Edison (Exelon)	Illinois	110,000	
DTE Energy Co.	Michigan	45,000	
Indiana Michigan Power (AEP)	Indiana, Michigan	16,000	<a href="#">Storms &amp; Outages</a>
Alliant Energy Corp.	Wisconsin	12,000	
Wisconsin Public Service Corp.	Wisconsin	2,400	
<b>TOTAL*</b>		<b>470,400</b>	

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

Sources: <http://www.suntimes.com/output/news/storm18.html>

<http://www.mlive.com/newsflash/business/index.ssf?base/news-36/1153230255124020.xml&storylist=mibusiness>

[http://wfrv.com/watercooler/local\\_story\\_199071834.html](http://wfrv.com/watercooler/local_story_199071834.html)

<http://www.postcrescent.com/apps/pbcs.dll/article?AID=/20060718/APC0101/607180567/1979>

<http://www.cbc.ca/canada/montreal/story/2006/07/18/qc-hydro.html>

<http://www.cbc.ca/story/canada/national/2006/07/18/storm-ontario.html>

Reuters, 13:01 July 18, 2006

### Power Outage Shuts Parts of New York Subway System, LaGuardia Airport July 18

A power failure shut portions of New York's subway system during the morning rush hour as well as parts of LaGuardia International Airport on July 18. Subway trains on the west side of Manhattan and in Brooklyn were stopped from 9:30 a.m until late morning when the service was restored. At La Guardia, several terminals did not have full power, both Delta and American Airlines canceled several flights. Con Ed had not determined when the power would be back at LaGuardia and urged New York customers to conserve power.

Reuters, 12:49 July 18, 2006.

## Electricity

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### **Five ISOs Set Records for Energy Use July 17**

Five independent system operators set records for energy use yesterday. PJM Interconnection set a new record at 139,746 MW, up from 133,763 MW on July 26, 2005. The Midwest ISO set a record at 131,527 MW, up from the previous record of 131,434 set on August 3, 2005. In Texas, ERCOT set a new record of 62,271 MW breaking the previous record of 60,274 set in late August of 2005. The California ISO set a new record at above 46,000 MW, up from the previous record of 45,431 MW on July 20, 2005. The New York ISO set a new record at 32,624 MW, up from the previous record of 32,075 MW set on July 26, 2005. None of the ISOs foresees record demand use to lead to blackouts but all are urging their customers to take steps to conserve electricity use. Many individual utilities are also reporting record demand.

[http://home.businesswire.com/portal/site/google/index.jsp?ndmViewId=news\\_view&newsId=20060717005770&newsLang=en](http://home.businesswire.com/portal/site/google/index.jsp?ndmViewId=news_view&newsId=20060717005770&newsLang=en)

<http://biz.yahoo.com/prnews/060717/nym213.html?v=43>

<http://biz.yahoo.com/prnews/060717/dem028.html?v=40>

[http://home.businesswire.com/portal/site/google/index.jsp?ndmViewId=news\\_view&newsId=20060717006002&newsLang=en](http://home.businesswire.com/portal/site/google/index.jsp?ndmViewId=news_view&newsId=20060717006002&newsLang=en)

[http://www.midhudsonnews.com/News/heat\\_NY\\_elec-18Jul06.htm](http://www.midhudsonnews.com/News/heat_NY_elec-18Jul06.htm)

Reuters, 18:02 July 18, 2006.

### **High Energy Loads Blow About 100 Transformers in Denver Metro Area Over Weekend**

Xcel Energy said that 12,000 customers lost power Sunday evening due to blown transformers from high energy loads. Xcel said that roughly 100 transformers failed over the weekend. Xcel has asked customers to take steps to conserve electricity.

[http://www.9news.com/acm\\_news.aspx?OSGNAME=KUSA&IKOBJECTID=7de43c8b-0abe-421a-01b8-19800ad15a3c&TEMPLATEID=0c76dce6-ac1f-02d8-0047-c589c01ca7bf](http://www.9news.com/acm_news.aspx?OSGNAME=KUSA&IKOBJECTID=7de43c8b-0abe-421a-01b8-19800ad15a3c&TEMPLATEID=0c76dce6-ac1f-02d8-0047-c589c01ca7bf)

### **Allegheny Energy's 651 MW Harrison 1 Coal-fired Unit in W. Va. Shut July 15**

The unplanned outage is due to the failure of a transformer in a 500-kV transmission facility immediately adjacent to Allegheny's 1,972 MW Harrison Power Station. All nine of the other units at the facility are currently operating normally. The company hopes to return Unit 1 by mid-August after it replaces the transformer.

<http://biz.yahoo.com/bw/060717/20060717005985.html?v=1>

### **AEP to Build 950 MW Coal-fired Red Rock Generating Facility in Oklahoma**

The company and its joint venture partner, Oklahoma Gas and Electric Co., plan to build the new plant on the site of an existing plant near Red Rock, Oklahoma. The plant is expected to be operational in 2011.

[http://biz.yahoo.com/ap/060718/american\\_electric\\_power\\_plant.html?v=1](http://biz.yahoo.com/ap/060718/american_electric_power_plant.html?v=1)

Reuters, 07:20 July 18, 2006.

## Petroleum

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### **Vital Louisiana Oil Highway Sinking**

According to an article in USA Today, Louisiana's Highway 1 is crumbling and nearly sunken in places. The highway is a vital transportation route for 1,200 heavy trucks each day, which deliver replacement parts for machinery to the Louisiana Offshore Oil Port (LOOP) and groceries for offshore workers. LOOP is the only U.S. port that can accommodate VLCC and ULCC tankers and can import about 1.2 million b/d.

[http://www.usatoday.com/money/2006-07-17-new-orleans-usat\\_x.htm](http://www.usatoday.com/money/2006-07-17-new-orleans-usat_x.htm)

<http://washingtontimes.com/upi/20060718-090653-1077r.htm>

### **Valero's 158,000 b/d McKee Refinery in Texas Experiences Process Upset**

Valero Energy Corp.'s refinery in Texas experienced a "process upset," according to a notice the company filed with the state regulatory agency. The cause for the upset is unknown.

Reuters, 19:05 July 17, 2006.

### **Update: Production at Amuay Refinery to Fall by 74,000 b/d in July Due to Fire**

The crude oil production at Amuay refinery will fall by 74,000 b/d in July because of the recent fire at the refinery, according to PDVSA. Although the company said the fire was completely under control and the refinery's international and domestic supply will remain intact, traders and market sources have said that several major units were either shut down or re-circulating, and that boats were not loading.  
Reuters, 18:23 July 18, 2006.

## **Natural Gas**

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### **Colorado Interstate Gas Holds Open Seasons for North Mainline Capacity, Expansion**

The company is testing market interest for three proposed projects.

<http://powermarketers.net/contentinc.net/newsreader.asp?ppa=8kowu%5D%5BihemvrnUTli%7DGI%7Bbfel%5Dv>

### **Repairs Progressing at El Paso's White Castle Compressor Station in Louisiana**

Southern Natural Gas Co., an El Paso unit, could raise the total available capacity on the west leg of its system from 550 Mmcf to 625 Mmcf sometime Tuesday, and again to 655 Mmcf on Wednesday, as progress has been made on the repairs at the White Castle compressor station, according to the company Web site posting.  
Reuters, 13:12 July 18, 2006.

### **Williams to Expand Transco Natural Gas Pipelines in the Mid-Atlantic**

Williams Cos., Inc. filed an application for the Potomac Expansion with FERC to expand Transco natural gas pipelines. The proposed 16.5 miles of new 42-inch pipeline expansion will increase the company's transportation capacity by 165 Mmcf/d by November 2007, serving the greater Washington and Baltimore area.  
Reuters, 11:27 July 18, 2006.

## **Other News**

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### **DOE's Storm-Response Office Making Significant Progress – Inspector General**

The Department of Energy's Inspector General has issued a favorable report to the DOE's Office of Electricity Delivery and Energy Restoration (OE) office, which is responsible for responding to energy emergencies such as hurricanes. The IG said that the office had made significant progress in implementing the OIG's recommendations to enhance the office's emergency support functions (ESF-12). One area the IG said the office could improve on is identifying emergency response equipment and assets for mission needs during emergencies.

IG's Report: <http://www.ig.doe.gov/pdf/IG-0733.pdf>

<http://www.platts.com/Oil/News/7605247.xml?p=Oil/News&sub=Oil>

### **Savannah River Reopens to Vessel Traffic, Portion of Intracoastal Water Remains Closed due to Oil Spill**

The Savannah River in Georgia, which was closed at 6:30 a.m. on July 17 due to an oil spill, reopened to vessel traffic by 8:30 p.m. same day. About 5,000 gallons of heavy oil were discharged into the river, causing the closure of the river to vessel traffic for 14 hours. The waterway users were urged to use extreme caution when nearing the oil spill because of unmarked oil booms. In addition, a portion of the Intracoastal Waterway remains closed between Field's Cut and St. Augustine Creek in Georgia because of heavy oil concentration  
Reuters, 09:46 July 18, 2006.

## Energy Prices

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U.S. Oil and Gas Prices			
July 18, 2006			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	73.87	74.45	57.32
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	5.61	5.51	8.03

Source: Reuters

## Energy Notes

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### Storms Knock Out Power 12,500 Duke Energy Customers in North Carolina July 26

<http://powermarketers.net/contentinc.net/newsreader.asp?ppa=8knpp%5E%5BbigmnlqIRTi%7DGJ%7Bbfel%5Dy>

### China Begins Planning for Phase Two of SPR Facilities

<http://www.platts.com/Oil/News/8540930.xml?p=Oil/News&sub=Oil>

### Separatist Rebels Sign Ceasefire in Angola Oil-producing Province

<http://www.unpo.org/article.php?id=4921>

### Wyoming Infrastructure Authority Seeking Proposals for Coal-Gasification Plant

[http://pro.energycentral.com/professional/news/power/news\\_article.cfm?id=6912090](http://pro.energycentral.com/professional/news/power/news_article.cfm?id=6912090)

### US, Mexico and Canada Agree to Strengthen Regional Energy Sector

[http://pro.energycentral.com/professional/news/power/news\\_article.cfm?id=6911675](http://pro.energycentral.com/professional/news/power/news_article.cfm?id=6911675)

### Peabody Energy, Rentech Together Review Possible Coal to Fuel Conversion Sites

Reuters, 09:27 July 18, 2006.

### BP, GE to Create Joint Venture to Develop Hydro Power Plants

Reuters, 08:35 July 18, 2006.

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

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