



ENERGY ASSURANCE DAILY

Wednesday, July 19, 2006

Major Developments

Storms Knock Out Power to Over 600,000 Customers in Northeast July 18 Hundreds of Thousands Remain Without Power July 19 Morning

Heavy storms ravaged major population centers along the U.S. Northeastern coast, causing widespread power outages from Delaware to Connecticut. The Philadelphia metropolitan area, where PECO Energy operates, was the hardest hit. At the storm's peak there were 128,000 outages in New Jersey, 75,000 outages in New York, 30,000 outages in Connecticut and 16,000 outages in Delaware. The following table represents peak outages at the height of the storm as reported in the press.

Northeast Storm Power Outages			
July 18, 2006			
Electric Power Producers	State	Peak	Current
PECO Energy (Exelon)	Pennsylvania	365,000	News Releases
Public Service Electricity & Gas	New Jersey	91,000	Press Releases
Long Island Power Authority	New York	50,000	Outage Map
Jersey Central Power & Light (First Energy)	New Jersey	30,000	Outage Map
Connecticut Power & Light	Connecticut	30,000	Outage Report
Consolidated Edison	New York	25,000	News Releases
Delmarva Power (Pepco)	Delaware	16,000	Outage Map
Atlantic City Electric (Pepco)	New Jersey	7,300	Outage Map
TOTAL*		614,300	

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

Sources: Bloomberg News, 13:36 July 19, 2006

<http://www.delawareonline.com/apps/pbcs.dll/article?AID=/20060718/NEWS/60718029>

<http://1010wins.com/pages/58497.php>

<http://www.allheadlinenews.com/articles/7004264622>

http://today.reuters.com/investing/financeArticle.aspx?type=bondsNews&storyID=2006-07-19T144518Z_01_N19290711_RTRIDST_0_UTILITIES-CONEDISON-OUTAGES.XML

<http://www.stamfordadvocate.com/news/local/scn-sa-nor.weather1jul19.0.1411014.story?coll=stam-news-local-headlines>

Update: 42,000 Consumers Energy Customers in Michigan Still Out from Monday Storms

According to a company news release, 42,000 customers were still without power by 4 p.m. today after a July 17 storm which caused more than 315,000 outages in its service territory at its peak. The storm knocked out power to at least 470,400 customers in Michigan, Illinois, Indiana and Wisconsin.

<http://www.consumersenergy.com/welcome.htm?./Newsroom/Newsindex.asp>

Electricity

U.S. Power Grid Performed Well During Record Usage – FERC

Several independent system operators (ISOs) have reported all-time record demand over the last two days as customers cranked up their air conditioners in response to high temperatures across the country. FERC Chairman Joseph Kelliher said that the low number of unplanned power station outages this week has been “hugely significant” in preventing grid operators from experiencing shortages.

Reuters, 17:45 July 18, 2006

California ISO Says Grid Boosted by Hydro Power, Imports and New Plants

The California Independent System Operator said that hydroelectric power, power imported from other states, and new power generation from in-state plants have helped to ease the strain on California's electricity grid, which has experienced record demand over the past two days. In particular, heavy late-winter storms in the Sierra Nevada Mountains delayed the snow melt and ensured a larger volume of water would flow through hydro dams that generate electricity.

Reuters, 14:49 July 18, 2006

Power Outage Halts Most Air Traffic in Southern California for 2 Hours July 18

The power outage occurred at a regional FAA radar center. Southern California Edison said that the outage may have been caused by a car hitting a utility pole. Power was restored when back-up power kicked in.

Reuters, 00:33 July 19, 2006

OPG's 215 Atikokan Coal-fired Unit in Ontario Shut July 18

Reuters, 07:33 July 19, 2006

OPG's 494 MW Lambton 3 Coal-fired Unit in Ontario Shut July 19

Reuters, 07:33 July 19, 2006

Update: AEP's 525 MW Welsh 1 Coal-fired Unit in Texas to Restart July 18

Reuters, 07:33 July 19, 2006

LS Power's 260 MW Moss Landing Gas-fired Unit in California Shut July 16

Reuters, 07:33 July 19, 2006

California-Oregon (N-S) 4,500 MW Intertie to Restart July 19

Reuters, 07:39 July 19, 2006

Petroleum

BP Shuts Dozen Wells in Alaska to Test for Suspected Leaks

BP has shut down 12 wells as a precautionary measure in response to information provided to the Financial Times by whistleblowers that some 50 of its wells in Alaska were leaking. According to BP, the twelve shut-in wells, primarily in the Prudhoe Bay area, were the only ones currently in operation of a total of 57 wells that had leaked crude oil or diesel fuel at some time. BP will perform integrity tests on the wells which combined produce about 8,000 b/d.

http://biz.yahoo.com/ap/060719/bp_alaska_wells_shutdown.html?.v=2

Reuters, 22:02 July 18, 2006

Update: PdVSA Says It Will Meet its Fuel Commitments After Amuay Refinery Fire

The company said that the plant will export 1.68 million barrels in the second half of July, fulfilling its delivery commitments. According to traders, the crude distillation unit which caught fire will be out for 5 to 7 months. Some traders expect the partial shutdown of the refinery to turn Venezuela into a vacuum gas oil importer and trim its already erratic gasoline exports. Yesterday PdVSA said crude runs would be cut by 74,000 b/d. Venezuela supplied 7.9 percent of total U.S. refined product imports in 2005, or about 275,000 b/d.

Reuters, 16:43 July 18, 2006

Bloomberg News, 10:37 July 19, 2006

Gas Compressor Shut at Total's 232,000 b/d Port Arthur, Texas Refinery July 18

The compressor was shut due to high vibrations in the compressor. The company is trying to restart the compressor.

Reuters, 08:45 July 19, 2006

Iraq-Turkey Pipeline Was Shut Due to Sabotage, Repairs to Take Week

A sabotage attack 10 days ago is responsible for shutting the Iraq's northern export pipeline to the Turkish port of Ceyhan. According to an Iraqi oil ministry official, both pipelines on the route were fractured and repairs would take at least a week. Previous reports had said that the pipeline was shut due for technical reasons. Iraq resumed exports on the line earlier last month after a 7-month stoppage due to persistent sabotage. Iraq supplied 3.5 percent of total U.S. oil imports in 2005.

Reuters, 12:32 July 19, 2006

Natural Gas

AGL Unit Seeks Bids for Capacity in Its Jefferson Island Storage Expansion in Louisiana

Jefferson Island Storage & Hub, a wholly owned subsidiary of Atlanta-based AGL Resources, is soliciting bids for both firm and interruptible gas storage planned to come on-line in April of 2007. The expansion will add 1.1 million Dth of new capacity in a fourth salt dome cavern at the site.

<http://intelligencepress.com/subscribers/daily/news/d20060719h.html>

<http://biz.yahoo.com/bw/060718/20060718006062.html?v=1>

Rhode Island Bans LNG Tankers from State Waters

Rhode Island Governor Carcieri signed into law a bill barring LNG tankers from entering state waters in Narragansett Bay. According to sources, it is unclear if the legislation would have any impact on the proposed LNG facility at Weaver's Cove. The new law appears to be in conflict with federal regulations and in May of this year, the commander of the First Coast Guard District stated in a letter to state legislators that the then proposed law would be superseded by federal law.

http://pro.energycentral.com/professional/news/gas/news_article.cfm?id=6916685

Other News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices			
July 19, 2006			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	72.80	74.95	57.46
\$/Barrel			
NATURAL GAS			
Henry Hub	5.89	5.66	7.81
\$/Million Btu			

Source: Reuters

Energy Notes

U.S. National Hurricane Center Lifts Storm Watch for North Carolina Coast July 19

Reuters, 11:31 July 19, 2006

Lightning Ignites Rhode Island Dock Where Gasoline Tanker Unloading

<http://www.allheadlinenews.com/articles/7004264622>

Computer Problem Causes False Alarm at ExxonMobil's Baton Rouge, Louisiana Refinery July 18

Reuters, 17:38 July 18, 2006

DOE Sets New Date for Yucca Mountain Opening in 2017

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=6916878

Vectren to Idle Synfuel Production as Tax Credit Phased Out

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=6916895

Worker Strike at ExxonMobil's 170,000 b/d Doba Crude Pipeline in Chad Not Affecting Output

Reuters, 15:06 July 18, 2006

Nigerian Oil Production Still Curtailed by About 500,000 b/d – Oil Minister

Reuters, 07:03 July 19, 2006

Last Week's Chevron Attack Was Setback to Restoring Nigerian Output – Oil Minister

Reuters, 7:42 July 19, 2006

BP May Lose Some Russian Operating Licenses for Idle Wells

Bloomberg, 11:59 July 19, 2006

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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