



ENERGY ASSURANCE DAILY

Thursday, July 20, 2006

Major Developments

Storm Knocks Out Power to 550,000 Ameren UE Customers in St. Louis Area July 19

Storm Knocks Out Power to 33,000 ComEd Customers in Chicago July 20

A violent storm hit the St. Louis metropolitan area last night, causing over half a million outages in Ameren UE's service area in Missouri and Illinois. A spokeswoman for Ameren said that 100,000 customers were restored overnight but 450,000 remained out this morning. The spokeswoman said it would take at least three days to restore all power. The storm system moved north this morning, causing about 33,000 outages in the Chicago area. On Monday heavy storms knocked out power to at least 470,400 customers in the Midwest and on Tuesday heavy storms knocked out power to at least 614,300 in the Northeast.

St. Louis and Chicago Storm Power Outages			
July 19, 2006			
Electric Power Producers	State	Peak	Current
Ameren UE	Missouri, Illinois	550,000	Outage Information
Commonwealth Edison (Exelon)	Illinois	33,000	
TOTAL*		583,000	

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

Sources: http://publicbroadcasting.net/kbia/news.newsmain?action=article&ARTICLE_ID=944067§ionID=1
http://today.reuters.com/stocks/QuoteCompanyNewsArticle.aspx?view=CN&storyID=2006-07-20T191825Z_01_N20436297_RTRIDST_0_UTILITIES-EXELON-COMED.XML&rpc=66

Reuters, 13:56 July 20, 2006

Power Outage Shuts ConocoPhillips 306,000 b/d Wood River, Illinois Refinery June 19

The St. Louis power outages also affected ConocoPhillips's refinery in Wood River, Illinois, forcing the plant to shut. Market sources say that the refinery could be offline for between three to five days, assuming there was no damage during the shutdown.

OPIIS Alert, 11:33 July 20, 2006

Reuters, 12:50 July 20, 2006

Power Outage Shuts Kinder Morgan's 150,000 b/d Platte Crude Pipeline July 19

According to Kinder Morgan officials the company's entire pipeline was shut for about nine hours due to a power outage. The line was restarted around 4 a.m. this morning. The pipeline connects oil producers in Canada with oil refiners in the U.S. Midwest. The pipeline terminates in Wood River, Illinois where 450,000 Ameren UE customers were without power this morning. It is unclear where the power outage that shut the pipeline occurred or whether it is related to the Ameren outages that affected the ConocoPhillips refinery in Wood River.

http://tmxproject.com/bins/nosidebar_page.asp?cid=38-69-93

13:36 Reuters, July 20, 2006

Electricity

Update: 80,000 PECO Energy Customers in Philadelphia Still Out from Tuesday's Storm

According to a news release on the company's website, 80,000 customers remained without power this morning. The storm, one of many that ravaged the Northeast on Tuesday night, knocked out power to 365,000 customers in PECO Energy's service area.

<http://www.exeloncorp.com/news/pressrelease/peco/PR072006A.htm>

Update: 17,000 Consumers Energy Customers in Michigan Still Out from Monday's Storm

According to a news release on the company's website, 17,000 customers remained without power at 10:30 this morning. The storm, one of many that ravaged the Midwest on Monday, knocked out power to 285,000 customers in Consumer Energy's service area.

<http://www.exeloncorp.com/news/pressrelease/peco/PR072006A.htm>

DTE's 1,111 MW Fermi 2 Nuke Unit in Michigan Exits Outage July 20

The unit, which ramped up to 3 percent of capacity, was shut on July 10 to replace a transformer that failed during maintenance.

Reuters, 16:20 July 20, 2006

Exelon's 660 MW Oyster Creek Nuke Unit in New Jersey Reduced July 18

The unit was reduced due to "high discharge temperatures."

Bloomberg News, 12:32 July 20, 2006

OPG's 881 MW Darlington 3 Nuke Unit in Ontario Returns to Service July 19

The company shut the unit by June 27

Reuters, 15:12 July 20, 2006

Petroleum

FCC Unit Shut at Valero's 185,000 b/d St. Charles, Louisiana Refinery July 20

The company said that the fluid catalytic cracking would be shut for 20 days for unplanned repairs. The outage will cut the refinery's gasoline production by 65,000 b/d.

Reuters, 10:45 July 20, 2006

Update: Reformer Fails Restart at BP's 460,000 b/d Texas City, Texas Refinery

A source familiar with the refinery said that the start up of the 55,000 b/d reformer was halted earlier this week to address mechanical issues. The refinery is currently running at a crude intake rate of 200,000 b/d, less than half of its rated throughput capacity, as it continues to restart after being shut in September due to Hurricane Rita.

Reuters, 15:13 July 19, 2006

Unit 835 Reduces Production at Total's 232,000 b/d Port Arthur, Texas Refinery July 17

The reduction at the Total Petrochemicals USA facility was due to overpressure on the unit.

Reuters, 12:41 July 20, 2006

Portion of SRU Shut at Citgo's 156,000 b/d Corpus Christi, Texas Refinery July 17

The company shut a portion of the unit to fix an electrical problem.

Reuters, 12:41 July 20, 2006

Marathon's 70,000 b/d St. Paul Park, Minnesota Running Normally Despite Strike July 20

About 180 Teamsters union workers held a strike due to a contract dispute. Marathon Petroleum reassigned 120 employees to the plant and added 25 from elsewhere to cover the jobs of the striking workers.

Bloomberg News, 07:47 July 20, 2006

Update: Dock Fire Shuts Rhode Island Fuel Terminal July 18

According to the Coast Guard, a 25,000-ton Danish-flagged gasoline tanker was preparing to discharge its cargo when the fire occurred at a 1.5 million barrel Motiva Enterprises LLC fuel terminal dock in Providence, Rhode Island. The cause of the fire is under investigation and the officials could not confirm speculation that the blaze was caused by a lightning strike from area storms which ravaged the Northeast on Tuesday night. The Coast Guard shut Providence port for 9 hours overnight due to the fire and vessel traffic resumed on Wednesday morning. A Motiva spokesman said that he wasn't sure when the dock would be reopened. A Bloomberg News story reports that a "small amount" of gasoline, ethanol and aviation fuel is leaking into the water at the terminal.

Reuters, 16:11 July 20, 2006

Bloomberg News, 17:07 July 19, 2006

Update: Colonial Wins FERC Approval to Levy Surcharge for Expansion

The surcharge will help pay for an expansion of the Colonial pipeline system, which involves building a 500-mile, 800,000 b/d line between Baton Rouge and Atlanta. Colonial's current nationwide capacity is 2.4 million b/d. The project could begin operation in 2010.

Bloomberg News, 11:35 July 20, 2006

Update: U.S. Regulators Order BP to Empty Pipeline that Leaked in March

The U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration has ordered BP to empty an oil pipeline in Alaska that leaked last March. The office also ordered BP to plan within 30 days to replace, repair or abandon the pipeline.

Reuters, 13:32 July 20, 2006

Crude Imports Jumped After Calcasieu Ship Channel Reopened -Analysis

According to an analysis of EIA data, U.S. crude imports increased by 1.082 million b/d to 10.701 million b/d after the Calcasieu Ship Channel reopened following an oil spill. Crude inputs in U.S. PAD District 3 (the Gulf Coast) rose 265,000 b/d to 7.683 million b/d as the three refineries affected by the Calcasieu incident (which make up about 4 percent of U.S. refining capacity) were able to increase runs. This increase was also attributed to the restart of an FCC unit at Exxon Mobil's 557,000 b/d Baytown, Texas refineries.

<http://www.platts.com/Oil/News/7609206.xml?p=Oil/News&sub=Oil>

Chevron Restores Over Half of Nigerian Output Lost in 2003

The company said that it has restored 50 to 60 percent of production that was lost due to inter-ethnic fighting in the Niger Delta in 2003. Chevron has been gradually returning oilfields in the western delta where it lost about 140,000 b/d of production. The company said that it would not be possible to restore 100 percent of production because the fields decline while they were abandoned. Chevron is currently producing 400,000 b/d in Nigeria compare with 450,000 b/d before the crisis in early 2003.

Reuters, 10:00 July 20, 2006

Natural Gas

Nothing to report.

Other News

Xethanol Corp. to Build 50 Million Gallon per Year Cellulosic Ethanol Plant in Georgia

The plant, to be located in Augusta, Georgia, will begin producing ethanol by mid-2007.

Reuters, 08:00 July 20, 2006

Energy Prices

U.S. Oil and Gas Prices			
July 20, 2006			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	73.30	76.70	57.46
\$/Barrel			
NATURAL GAS			
Henry Hub	6.14	5.92	7.81
\$/Million Btu			

Source: Reuters

Energy Notes

Northeast Under Storm Warning as Beryl Approaches Massachusetts

Reuters, 11:40 July 20, 2006

Bruce Power LP Says Ontario's Plan to Build 2 Nuclear Reactors in 10 Years is Inadequate to Meet Energy Shortage

Bloomberg News, 13:27 July 20, 2006

Magellan Midstream Plans to Expand Petroleum Products Pipeline Capabilities into Denver, Colorado

Reuters, 13:06 July 20, 2006

Bodman in Baghdad to Secure Energy Partnership With New Iraqi Government

<http://www.upi.com/Energy/view.php?StoryID=20060719-023957-8060r>

Iraq's Oil-Rich Kirkuk Faces Local Conflict Without Action –ICG

<http://www.platts.com/Oil/News/8543521.xml?p=Oil/News&sub=Oil>

Kuwait to Clarify Its Oil Reserves Within Days – Oil Min

<http://www.easybourse.com/Website/dynamic/News.php?NewsID=25440&lang=fra&NewsRubrique=2>

Kitimat LNG Pipeline Drawing Oilsands Interest in Canada

<http://powermarketers.net/contentinc.net/newsreader.asp?ppa=8kowu%5D%5BihipppnRTnk%7DGJ%7BbfeI%5Dv>

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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