



ENERGY ASSURANCE DAILY

Thursday Evening, September 18, 2008

Major Developments

Update: 2.3 Million Customers Remain Without Power After Ike September 18

As of 5:00 PM EDT September 18, utilities report approximately 2.3 million customers are without power in the states affected by Hurricane Ike, down from approximately 3.1 million without power at around the same time September 17. Massive restorations are still underway for much of Texas and Ohio after Hurricane Ike moved through the U.S. September 12-15. CenterPoint Energy, which services much of the Houston metropolitan area, estimates restoration to extend beyond Monday, September 22. CenterPoint anticipates that between 50-75 percent of customers will be restored by September 23. Entergy does not expect Beaumont and other areas to be fully repowered until October 6. Utilities across Ohio are continuing efforts to reconnect thousands still without power.

http://www.enterytexas.com/your_home/storm_center/

<http://www.centerpointenergy.com/staticfiles/ike/ike.html>

<http://www.duke-energy.com/news/releases/2008091802.asp>

http://www.oe.netl.doe.gov/docs/2008_SitRep_10_Ike_091808_0300PM.pdf

Hurricane Ike Customer Power Outages			
September 12 – September 18			
Electric Utility	State	Peak	Latest Reported
AEP SWEPCO	AR	23,000	0
Entergy	AR	179,000	1,540
First Electric Cooperative	AR	15,000	0
North Arkansas Electric Cooperative	AR	11,700	0
Ameren	IL	48,490	132
ComEd	IL	13,000	0
Southern Illinois Electric Cooperative	IL	3,500	0
Duke Energy	IN	199,373	39,417
Indiana Michigan Power	IN	1,500	0
Indianapolis Power & Light	IN	18,000	0
Vectren	IN/OH	40,000	8,000
Jackson Purchase Energy	KY	6,000	1,000
Kenergy	KY	23,000	6,700
Kentucky Utilities	KY	75,000	6,000
Louisville Gas & Electric	KY	301,000	126,000
Paducah Power	KY	15,000	0
West Kentucky Rural Electric Coop	KY	10,000	4,500
AEP SWEPCO	LA	63,000	136
All Cooperatives	LA	22,461	9,000
Cleco Power	LA	10,822	504
Entergy	LA	83,588	9,267
SLEMCO	LA	82,046	0
DTE	MI	24,000	0
Ameren	MO	107,031	262
Black River Electric Coop	MO	15,000	400
Carroll Electric Coop	MO/AR	50,000	1,100
Citizen's Electric	MO	5,000	0
City Utilities	MO	1,000	0

Hurricane Ike Customer Power Outages

September 12 – September 18

Electric Utility	State	Peak	Latest Reported
Ozark Electric Coop	MO	16,000	0
SEMO Electric Coop	MO	9,700	150
White River Valley Electric Cooperative	MO	16,000	87
National Grid	NY	136,149	20
NYSEG	NY	4,000	0
Rochester Gas & Electric	NY	42,000	0
AEP Ohio	OH	539,619	215,413
AMP-Ohio	OH	15,000	400
Dayton Power & Light	OH	225,000	90,000
FirstEnergy	OH	1,000,000	56,000
Ohio Rural Electric Coops	OH	46,200	4,786
South Central Power	OH	55,784	408
Duke Energy	OH/KY	915,989	183,729
Hydro One	ON	25,000	0
Allegheny Power	PA	65,891	3,947
Central Electric Coop	PA	10,000	0
Duquesne Light	PA	105,000	11,000
Penelec Power	PA	100,000	509
AEP SWEPCO	TX	87,000	531
Bluebonnet Electric Cooperative	TX	3,400	0
CenterPoint Energy	TX	2,100,000	1,199,460
Deep East Texas Electric Co-op	TX	12,000	4,975
Entergy	TX	392,600	245,974
Oncor	TX	108,000	19,984
Sam Houston Electric Coop	TX	58,191	48,749
Texas-New Mexico Power Company	TX	113,247	44,170
AEP Ohio	WV	6,822	0
Allegheny Power	WV	9,440	62
Appalachian Power	WV	16,400	0
TOTAL*		7,680,943	2,344,312

*Total outages only represent electric utilities listed in this table.

Sources:

AEP-Ohio; <http://www.aepohio.com/news/outages/>

AEP-SWEPCO; <http://www.swepco.com/news/outages/>

Allegheny Energy; http://app.alleghenyenergy.com/outagestatus/customeroutagestatus/county_outages2_PUC.asp

AMP-Ohio; <http://www.northcentralohio.com/newsboard/single.asp?Story=33106>

Appalachian Power; <http://www.appalachianpower.com/news/outages/default.asp>

Black River Electric Coop; <http://www.blackriverelectric.com/>

Bluebonnet Electric Coop; <http://www.bluebonnetelectric.coop/press/Ike.htm>

Carroll Electric; <http://www.bransondailynews.com/story.php?storyID=8666>

Carroll Electric; <http://www.ktts.com/tabid/4882/xmid/25625/Default.aspx>

CenterPoint Energy; <http://www.centerpointenergy.com/staticfiles/ike/outages.html>

Central Electric Coop; <http://www.central.coop/outage.asp>

Citizens' Electric; http://www.kfvs12.com/Global/story.asp?S=9006084&nav=menu51_2_9

Cleco; <http://www.cleco.com/site.php?pageID=347>

Dayton Power and Light; <http://www.waytogo.com/>

Deep East Texas Electric Coop;

<http://www.dailysentinel.com/news/content/news/stories/2008/09/15/ike091508.html?imw=Y>

Duke-Indiana; <http://www.duke-energy.com/indiana/outages/current.asp>

Duke-Kentucky/Ohio; <http://www.duke-energy.com/kentucky/outages/current.asp>

Duquesne Light; <http://www.duquesnelight.com/>

FirstEnergy; <http://www.bizjournals.com/dayton/stories/2008/09/15/daily35.html>

Hydro One; <http://www.intelligencer.ca/ArticleDisplay.aspx?e=1201935>

Indiana-Michigan Power; <http://www.indianamichiganpower.com/news/outages/default.asp>

Indianapolis Power and Light;

<http://www.iplpower.com/ipl/index?page=IPLGeneral&Menu=04080000&DocID=0203917431b9011a564c24930071c8>

Jackson Purchase Energy; <http://www.wkyxwngo.com/local-news-details.asp?NewsID=7673>

Kenergy; http://www.kypost.com/news/local/story.aspx?content_id=409de4f4-8464-4b85-ab00-5c1896776f45

Kentucky Utilities; <http://www.eon-us.com/storm/default.asp>

LG&E; <http://www.eon-us.com/storm/default.asp>

National Grid; <https://www1.nationalgridus.com/niagaramoha/wk/storm/OutagesByCounty.aspx>

North Arkansas Electric Coop; <http://www.areawideneews.com/story/1462224.html>

NYSEG; <http://rochesterhomepage.net/content/fulltext/?cid=33061>

Ohio Rural Electric Coop; <http://www.bizjournals.com/dayton/stories/2008/09/15/daily35.html>

Oncor; <http://www.puc.state.tx.us/webapp/public/apps/emr/ByCountyCompany.aspx>

Ozark Electric Coop; <http://nwahomepage.com/content/fulltext/?cid=38601>

Paducah Power; <http://www.wkyxwngo.com/local-news-details.asp?NewsID=7673>

Penelec; <http://www.goerie.com/apps/pbcs.dll/article?AID=/20080917/NEWS02/809170358>

RG&E; <http://www.rge.com/OurCompany/News/2008/091708windstorm12noon.html>

Sam Houston Electric Coop; <http://www.puc.state.tx.us/webapp/public/apps/emr/ByCountyCompany.aspx>

SEMO Electric Coop; <http://www.semissourian.com/article/20080917/NEWS01/709189972/-1/news01>

SLEMCO; <http://www.slemco.com/emergency-Gustav.html>

South Central Power and Light; http://www.southcentralpower.com/OW/ow_map.aspx?county=0

Southern Illinois Electric Coop; http://www.siec.coop/Wind%20Storm/Sept%20Wind%20Storm%202008_7PM.doc

Texas New Mexico Power; http://www.pnm.com/tntp/0917_pr_ike.htm

Vectren; <http://www.courierpress.com/news/2008/sep/17/long-days-for-vectren-workers-yielding-light-at/>

West Kentucky Rural Electric Coop; <http://www.wkyxwngo.com/local-news-details.asp?NewsID=7673>

White River Valley Electric Coop; <http://www.ktts.com/tabid/4882/xmid/25625/Default.aspx>

Update: Majority of Gulf Offshore Oil & Gas Production Remains Shut September 18 Companies Continue to Assess Damage in Wake of Hurricanes Gustav and Ike

As of 12:30 PM EDT, Minerals Management Service (MMS) reports an estimated 5.74 Bcf/d of natural gas production remained shut in the Gulf of Mexico, which accounts for 77.6 percent of Gulf production. MMS reports that 1,209,078 b/d of crude production remains shut, which accounts for 93 percent of Gulf production. MMS reports personnel are evacuated from 326, or 45.5 percent, of the 717 production platforms located in the Gulf as well as and 19, or 15.7 percent, of the 121 rigs currently operating in the Gulf of Mexico. Separately, Oil and gas companies with operations in and around the Gulf are reporting varied assessments on damage and restoration in response to Hurricanes Gustav and Ike with some recovery efforts dependent upon the restoration of third party facilities. Various company reports are summarized below:

- Mariner Energy is reporting no material damage to its production and assets following Hurricane Ike and the majority of production is expected to resume over the next several days as additional downstream facilities come online.
- Energy Partners is reporting that its producing properties have suffered minor damage as a result of Hurricane Ike with the company's fields to resume production once acceptance of production by third party pipelines and processing fields is granted.
- BP said the company is re-manning oil and gas platforms in the Gulf with inspections ongoing with the intention to restart production facilities over the next week subject to the availability of the export infrastructure.
- Chevron is reporting it has resumed operations at its 230,000 - 275,000 b/d Empire crude terminal in Louisiana and is operating the facility on commercial power. The company will continue with aerial reconnaissance until all of its systems in the Gulf have completed stand-up testing.
- Swift Energy said September 18 it has begun the resumption of production operations at its various fields in the Gulf affected by Hurricanes Ike and Gustav including the Newport area of Lake Washington, Louisiana where crews are working to bring field wide production online. Drilling operations will resume in Lake Washington and the surrounding area once contracted drilling rigs can navigate their return to the field, the company reported.

http://www.oe.netl.doe.gov/named_event.aspx?ID=20

<http://www.mms.gov/ooc/press/2008/press0918.htm>

http://www.pnnewswire.com/cgi-bin/stories.pl?ACCT=ind_focus.story&STORY=/www/story/09-17-2008/0004887647&EDATE=WED+Sep+17+2008,+09:12+PM

http://www.rigzone.com/news/article.asp?a_id=66807

http://www.rigzone.com/news/article.asp?a_id=66809

<http://www.platts.com/Oil/News/8036271.xml?p=Oil/News&sub=Oil>

Louisiana DNR Reports Oil & Gas Production Restorations September 18

On September 17, the Louisiana's Department of Natural Resources reports that 28,874 b/d or 19 percent of the normal Louisiana oil production has been restored. Operators in 17 parishes and in State offshore areas normally produce 155,767 b/d. Shut-in oil production is 96,486 b/d or 62 percent of the normal production; the status of the remaining 33,405 b/d is unknown. The estimated amount of restored gas production is 428 MMcf/d or 26 percent of the daily gas production capacity, which is 1,642 MMcf/d. The estimated amount of shut-in gas production is 900 MMcf/d; the status of the remaining 312 MMcf/d has not been confirmed.

http://www.oe.netl.doe.gov/named_event.aspx?ID=20

Update: Twelve Gulf Coast Refineries Affected by Hurricane Ike and Gustav Remain Shut September 18

Twelve refineries in Texas and Louisiana remain shut due to Hurricane Ike. These refineries have a total operable capacity of 3.0 million b/d. Several refineries have updated their status:

- Shell's 236,400 b/d joint-venture Motiva Norco, Louisiana refinery operating at normal rates after shutting due to Hurricane Gustav.
- Flint Hill's 288,126 b/d Corpus Christi, Texas refinery is operating at normal rates after shutting due to Hurricane Ike.
- Valero's 199,500 b/d Texas City, Texas refinery is restarting after shutting due to Hurricane Ike.
- Total assessed that its 232,000 b/d Port Arthur, Texas refinery had no major damage due to both Hurricanes Gustav and Ike. Total is switching on power to restart the refinery.
- Valero's 83,000 b/d Houston, Texas refinery is restarting after shutting due to Hurricane Ike.
- Calcasieu's 78,000 b/d Lake Charles, Louisiana refinery restarted after it shut due to Hurricane Gustav.
- Pasadena Refining plans to restart its 100,000 b/d Pasadena, Texas refining in the next couple of days when workers can return to the area. The refinery was shut in preparation to Hurricane Gustav, and remained shut when Hurricane Ike swept through the area.
- Marathon has restored electricity at its 76,000 b/d Texas City, Texas refinery.
- BP has found that its 467,720 b/d Texas City, Texas refinery has no significant flooding, and is working to restore water and power to restart the refinery after Hurricane Ike.
- Houston Refining's 270,600 b/d Houston, Texas refinery has power and water restored. There is no restart date set after it shut due to Hurricane Ike.
- Motiva is making minor repairs at its 285,000 b/d Port Arthur, Texas refinery and trying to restore power after the refinery shut due to Hurricane Gustav.

http://www.oe.netl.doe.gov/named_event.aspx?ID=20

<http://www.reuters.com/article/marketsNews/idUSN1737051320080917>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=114190>

Bloomberg News, 09:03 September 18, 2008

Bloomberg News, 12:09 September 18, 2008

Bloomberg News, 12:15 September 18, 2008

Update: Multiple Pipeline Remain Down or Reduced After Hurricane Ike September 18

As of 8:00 AM EDT September 18, there have been additional reports of damage to multiple natural gas gathering and offshore systems and Force Majeures' remain in effect as shown in the table below. Pipelines, producers, and processing plant operators continue to investigate the impacts to their facilities from the storms:

- ANR Pipeline Company declared force majeure September 17. ANR's offshore facilities in Eugene Island Block 296 sustained damage resulting in zero flow at all receipt points along this portion of the system.
- Destin Pipeline Company notified its customers that the Pascagoula processing plant has lifted a force majeure and flows will resume to normal through the Destin Pipeline system.
- Enbridge's onshore facility Station 44 sustained water damage and evaluations of assets are underway.
- Garden Banks Gas Pipeline has crews assessing damage. There is minor visible damage and power generation, but communication equipment is not functional.
- High Island Offshore System (HIOS) declared force majeure on September 10, which remains in effect. HIOS is currently securing equipment to locate a potential leak on its 42 inch line.
- Manta Ray Offshore Gathering System is continuing assessments on offshore platforms and facilities and repairs have started.
- Mississippi Canyon Pipeline's West Delta 143 platform is unavailable for gas flow. Venice plant has experienced water damage and will not accept gas. Alternate means to bypass plant to other processing plants and/or pipeline interconnects is being analyzed.

- Nautilus Pipeline Company is continuing assessments and reports of the Burns Point location. The pipeline system is intact with minor repairs needed. Downstream processing is ready once gas flow commences.
- Sea Robin Pipeline Company has reduced flow due to damage, lack of processing and continued shut-in assets as inspections continue. Some offshore systems have experienced some damage that will limit a full return to service. Processing is unavailable but gas flow can commence if at higher heating value.
- Stingray Pipeline Company's offshore facilities have minor damage and crews are working to repair visual damage and will perform further inspections.
- Tennessee Gas Pipeline has confirmed leaks on its 36 inch and 27 inch mainlines on the East Leg of the Blue Water System.
- Texas Eastern Transmission estimates that producers have shut-in 400,000 to 500,000 Dth/d of supply on its system due to Hurricane Ike.
- Gulf South Pipeline has lifted the Critical period as of Gas day September 18.

http://www.oe.netl.doe.gov/named_event.aspx?ID=20

Update: Gulf Coast Area Waterways Reopen to Vessel Traffic September 18

As of 12:00 AM EDT September 18, the Port of Corpus Christi has limited vessels to drafts of less than 20 feet in the Matagorda area. The Ports of Freeport, Galveston, Texas City, and the Houston Ship Channel are open at all times to vessels with a draft of less than 16 feet and open to deep draft vessels only during daylight hours. Vessels going through the rivers and channel into the Port Arthur area are limited to drafts of 30 feet or less at night and 36 feet for daylight. The Gulf Intracoastal Waterway is still closed from the Houston Ship Channel, west to the Port Arthur, TX bridge and has closures in LA as well. The Calcasieu Channel is limited to vessels with drafts of less than 39 feet for daylight transit and only 16 feet at all other times. The Lower Mississippi River is restricted to daylight transit only for vessels with drafts of 30 feet or less.

http://www.oe.netl.doe.gov/named_event.aspx?ID=20

Update: Ten Gulf Coast Gas Processing Plants Confirmed Shut Following Hurricane Ike Aftermath September 18

As of 1:00 PM EDT, the Energy Information Administration (EIA) has confirmed that 10 plants remain shut down which includes those plants still impacted from Gustav, totaling an operating capacity of 5.83 Bcf/d. In addition, EIA reports that 19 plants have resumed operations at reduced or normal levels totaling 4.43 Bcf/d operating capacity once power is restored or upstream gas flow continues.

http://www.oe.netl.doe.gov/named_event.aspx?ID=20

IEA Assessing Impact of Hurricane Ike to U.S. Oil and Gas Production as Tankers Head for U.S. Gulf Coast Brining Gasoline Supplies

The IEA has indicated that it is continuing to assess the availability of electricity in the affected areas before taking any action to release oil from its emergency supplies as it did following Hurricanes Katrina and Rita in 2005. The agency has indicated that it remains on high alert ready to act swiftly if necessary but also indicated that U.S. market has greater flexibility now than was the case in 2005. The U.S. is also receiving gasoline supplies from Europe, as a number of tankers of fuel initially destined for New York have been diverted to the U.S. Gulf Coast to help alleviate the situation.

http://www.rigzone.com/news/article.asp?a_id=66800

Bloomberg News, 13:14 September 18, 2008

Bloomberg News, 09:51 September 18, 2008

Gulf Coast Gasoline Supplies Remain Tight Despite Signs of Progress

Several large oil companies have expressed concern about tight gasoline supplies in the short-term despite reports of progress in restoring service to retail outlets in the Gulf Coast. On September 18, Reuters reported that the Gulf Coast cash price of gasoline slipped by 17 cents, a sign that gasoline supplies are improving.

- Chevron reports that all of its fuel supply terminals are in operation and that additional transport trucks are refueling its retail stations. Chevron also reported progress in returning more than 60 percent of its retail stations in Texas and all but one station in Louisiana to operational status. Nonetheless, Chevron remains concerned about severe gasoline supply disruptions.
- ConocoPhillips reported the retail outlets in the southeast Texas area are slowly being re-supplied as electrical power is restored. The company cautioned that customers may experience long lines and wait times over the next few days.
- Shell reports that finished product storage and delivery systems in Houston have power and are fully operational making deliveries to truck terminals and pipelines. Shell also reports that its Port Arthur storage and delivery

systems are using portable generators to make limited deliveries from inventory while the company works with the local utility providers to restore electricity. Earlier on September 18, Shell indicated that 70 percent of the Shell-branded stations are now open in Houston and Beaumont. Nonetheless, the company stated that stations continue to experience temporary and sporadic outages.

- BP reports that its supply and logistics organization is working to bring additional supplies of refined products into the impacted markets.

<http://www.reuters.com/article/rbssEnergyNews/idUSN1845606620080918>

<http://bphurricane.com/go/doc/1818/226937/>

http://www.shell.us/home/content/usa/aboutshell/media_center/hurricane_center/storm_updates/2008/ike/ike_41_091808.html

http://www.shell.us/home/content/usa/aboutshell/media_center/hurricane_center/storm_updates/2008/ike/ike_40_091808.html

<http://www.conocophillips.com/newsroom/stormcenter/index.htm>

<https://upstream.chevron.com/StormUpdates/prid80.html>

EPA Issues Fuel Waivers in Kentucky and Texas September 17

EPA issued an emergency fuel waiver through September 30 for reformulated gasoline (RFG) requirements in Boone, Campbell, Jefferson, and Kenton Counties in Kentucky. EPA also issued a fuel waiver through October 1 for Reid vapor pressure and RFG requirements in Texas which supersedes the waiver issued on September 11.

<http://www.epa.gov/compliance/civil/caa/fuelwaivers/>

Electricity

TVA's 1,118 MW Browns Ferry Nuke Unit 2 in Alabama Shut by September 18

The Nuclear Regulatory Commission reported that on the morning of September 17 the unit was operating at 21 percent.

Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2008/>

SCE / SDGE's 1126 MW San Onofre Nuclear Unit 3 Nuke Unit in California Shut September 17

According to the California Independent System Operator, the unit experienced an unplanned curtailment of 111 MW on September 17.

<http://www.caiso.com/unitstatus/data/unitstatus200809171515.html>

Update: Entergy's 510 MW Vermont Yankee Nuke Unit in Vermont Ramped Up to 85 Percent by September 18

Entergy had reduced the unit after discovering a cooling tower leak.

http://biz.yahoo.com/ap/080918/yt_vermont_yankee.html?v=1

Information also derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2008/>

Petroleum

Shell's Port Arthur, Texas Refinery Expansion Delays from Hurricane Ike Minimal

Despite some minor damage to the project, Shell does not anticipate major delays for the Port Arthur refinery expansion. The expansion is scheduled to be complete in 2010, bringing total capacity to more than 600,000 b/d.

<http://www.downstreamtoday.com/News/Articles/200809/12849.aspx>

Update: BP's Baku-Tbilisi-Ceyhan Crude Pipeline Operates at Reduced Rates after Azeri Fields in Caspian Sea Cut Production

A gas leak cut output at Azeri fields 60 percent yesterday. BP and partners produce an average of about 850,000 b/d from the Azeri-Chirag-Gunashli group of fields.

Bloomberg News, 12:22 September 18, 2008

Natural Gas

Update: FERC Approves NorthernStar's 1.3 Bcf/d Bradwood Landing LNG Terminal in Oregon

Bloomberg News, 15:20 September 18, 2008

Other News

Nothing to Report.

Energy Prices

U.S. Oil and Gas Prices			
September 18, 2008			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	97.48	100.95	81.51
NATURAL GAS Henry Hub \$/Million Btu	7.82	7.83	6.32

Source: Reuters and Bloomberg News

Energy Notes

Employee Dies at Xcel Energy's 600 MW Monticello Nuke Plant in Minnesota after Touching Power Line

<http://ksax.com/article/stories/S583254.shtml?cat=10230>

Aboriginal Leaders Threaten to Block work on Enbridge's Alberta Clipper Crude Pipeline Project in Western Canada if Company does not Hire more Native Workers

<http://canadianpress.google.com/article/ALeqM5hcTJXaU3lpa7GtZTrvNMI-EYYqFA>

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/ead.aspx>

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