



ENERGY ASSURANCE DAILY

Friday Evening, December 19, 2008

Major Developments

Winter Storms Knock Out Power to over 290,000 Customers in the U.S. Midwest December 19

Ice and downed trees knocked down power lines, causing electricity outages in Indiana, Illinois, Ohio, and Missouri. Towns in Allen County, Indiana also experienced flash flooding in the streets due to excessive precipitation.

<http://www.mysuburbanlife.com/lombard/homepage/x1435866813>

<http://www.news-sentinel.com/apps/pbcs.dll/article?AID=/20081219/BREAKING/812190300>

<http://www.pjstar.com/homepage/x1435866891/About-10-000-homes-throughout-the-Tri-County-Area-are-without-power>

Midwest Customer Power Outages			
December 19, 2008			
Electric Utility	State	Peak	Latest Reported
Indiana-Michigan Power (AEP)	IN	122,697	112,800
NIPSCO	IN	58,000	58,000
Duke-Energy	IN	18,230	10,182
Ameren	IL	39,144	32,936
ComEd	IL	14,000	14,000
AEP-Ohio	OH	21,885	20,772
FirstEnergy	OH	13,000	13,000
Duke-Energy	OH	2,321	305
AmerenUE	MO	2,092	1,208
TOTAL*		291,369	263,203

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

Sources:

<http://www.nipSCO.nisource.com/news/121908.pdf>

<http://www.indianamichiganpower.com/news/outages/default.asp>

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

<http://www.duke-energy.com/kentucky/outages/current.asp>

<http://www.aepohio.com/news/outages/default.asp>

<http://www.duke-energy.com/ohio/outages/current.asp>

<https://www2.ameren.com/outagemap/default.aspx?state=MO>

<https://www2.ameren.com/outagemap/default.aspx?state=IL>

<http://www.myfoxcleveland.com/myfox/pages/News/Detail?contentId=8106243&version=33&locale=EN-US&layoutCode=TSTY&pageId=3.2.1>

Update: About 38,000 Customers Remain Without Power in U.S. Northeast December 19

Winter storms that hit the Northeast on December 11 knocked out power to a peak of about 1.4 million customers in New Hampshire, Massachusetts, New York, Maine, Vermont, Connecticut and Rhode Island. As of this afternoon in New Hampshire, the Public Service Company of New Hampshire is reporting 28,000 customers remain without power and Unitil is reporting 1,899 customers without power. In Massachusetts, Unitil is reporting 5,496 customers without power and Western Massachusetts Electric is reporting 1,375 customers without power. There are still scattered outages in New York.

Sources:

<http://www.psnh.com/aboutpsnh/mediacenter/stormupdates.asp>

<http://www.nhec.com/oms.php>

http://services.unitil.com/content/unitilcom_messages/Dec19%255F7am12%252F19%252F2008%2B7%253A45%253A22%2BAM.pdf

<http://www.wmeco.com/community/stormcenter/restorationstatus.aspx>

NV Energy and Renewable Energy Systems to Develop 200 MW China Mountain Wind Farm in Idaho and Nevada

The project, which could potentially expand to a 425 MW wind-generating facility, will have most of its turbines in Idaho.

<http://finance.yahoo.com/news/NV-Energy-and-RES-Americas-bw-13873430.html>

http://www.blm.gov/pgdata/etc/medialib/blm/id/nepa/jarbidge_fo/china_mountain_wind.Par.17053.File.dat/news1.pdf

OPG's 535 MW Lennox Oil- and Gas-fired Unit 2 in Ontario Shut by December 19

Electricity traders guessed the unit would return in a few days.

Reuters, 08:03 December 19, 2008

Update: Reliant's 130 MW Mandalay Gas-fired Unit 3 in California Returns to Service by December 18

According to the California Independent System Operator, the unit experienced an unplanned outage by December 14.

<http://www.caiso.com/unitstatus/data/unitstatus200812181515.html>

Update: OPG's 494 MW Lambton Coal-fired Unit 2 in Ontario Returns to Service by December 19

The unit is currently producing 60 MW of electricity. The unit was shut by August 29.

Reuters, 07:59 December 19, 2008

Bloomberg News, 08:25 December 19, 2008

Update: OPG's 494 MW Lambton Coal-fired Unit 3 in Ontario Returns to Service by December 19

The unit is currently producing 350 MW of electricity.

Bloomberg News, 08:25 December 19, 2008

Update: Calpine's 593 MW Metcalf Gas-fired Unit in California Returns to Service by December 18

According to the California Independent System Operator, the unit experienced an unplanned curtailment of 318 MW on December 14. About 30 MW returned by December 16 and the rest by December 18.

<http://www.caiso.com/unitstatus/data/unitstatus200812181515.html>

Update: Sempra's 625 MW Termoelectrica De Mexicali Gas-fired Unit 1 in Mexico Returns to Service by December 18

According to the California Independent System Operator, the unit experienced an unplanned outage by December 17.

<http://www.caiso.com/unitstatus/data/unitstatus200812181515.html>

Petroleum

Production at Valero's 289,000 b/d Port Arthur, Texas Refinery Decreases as Fog in Gulf of Mexico Delays Tankers

Fog along Gulf of Mexico ship routes has delayed tanker traffic to refineries and oil ports for the second day.

ExxonMobil does not expect production impacts at its 348,500 b/d Beaumont, Texas refinery.

Bloomberg News, 11:57 December 19, 2008

Bloomberg News, 11:04 December 19, 2008

Update: Processing Units Restarting at Valero's 340,000 b/d Corpus Christi, Texas Refinery December 19

The units were affected after a power outage on Thursday. According to a company spokesman, a return to full rates will take at least 24 hours.

Reuters, 08:49 December 19, 2008

Update: SRU at Alon's 70,000 b/d Big Spring, Texas Refinery Returns to Service this Week

The unit was shut on December 16 due to a false boiler level reading.

Bloomberg News, 18:50 December 18, 2008

Shell May Invest in Plans to Expand Oil Sand Projects in Alberta as Procurement Costs Decrease

If construction and engineering costs continue to fall in Canada, then Shell expects to revisit plans to build an oil-sands project.

Bloomberg News, 11:02 December 19, 2008

Natural Gas

Compressor Restarts at Amerada Hess Seminole Gas Plant in Texas December 18

The compressor suffered a failure of the power turbine on September 1.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=117887>

Update: Section of Williams Transco's Gas 8.2 Bcf/d Pipeline from Texas to New York to Return to Service within Days

The pipeline exploded on September 14 in Virginia and was repaired by December 15. Williams Transco received approval from DOT's Pipeline and Hazardous Materials Safety Administration to return to service.

Bloomberg News, 20:32 December 18, 2008

Other News

DOE Awards 16 Contracts in Energy Efficiency, Renewable Energy, and Water Conservation Projects at Federal Facilities

In August 2007, Energy Secretary Bodman launched the Transformational Energy Action Management (TEAM) Initiative to reduce energy intensity across DOE by 30 percent. The contracts will help meet energy efficiency, water conservation and renewable energy goals.

<http://www.energy.gov/news/6804.htm>

Carbon Dioxide Emission Limits Need Not be Binding in Pre-Construction Permits for New Coal-Fired Power Plants – EPA

Environmental Protection Agency (EPA) administrators clarified that carbon dioxide emissions are currently regulated under the federal Prevention of Significant Deterioration (PSD) permitting program of the Clean Air Act. However, EPA or Congress can mandate carbon dioxide emission limits.

<http://www.platts.com/Coal/News/8247421.xml?p=Coal/News&sub=Coal>

Energy Prices

U.S. Oil and Gas Prices December 19, 2008			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	35.24	46.45	91.58
NATURAL GAS Henry Hub \$/Million Btu	5.63	5.56	7.18

Source: Reuters

Energy Notes

Substation Outage Knocks Out Power to 20,000 Customers in Alabama for About 26 Minutes December 19

<http://www.waaytv.com/Global/story.asp?S=9549625>

Natural Gas Wells Targeted by Vandals in British Columbia

<http://cnews.canoe.ca/CNEWS/Canada/2008/12/18/7793606-cp.html>

Crude Prices Decrease in New York as Increasing Stockpiles in Cushing, Oklahoma Leave Little Storage Room for Future Deliveries

Bloomberg News, 11:40 December 19, 2008

California PUC Approved San Diego Gas & Electric's Proposed 123-Mile Sunrise Powerlink Transmission Line Without Conditions for Renewable Energy Use

<http://www.topix.net/content/ap/2008/12/calif-regulators-approve-1-9-billion-power-line>

Columbia Gas Transmission's Gas Pipeline Explosion on November 5 in Pennsylvania Caused by Increased Pressure Under Testing Protocols

<http://www.riverreporter.com/issues/08-12-18/news-pipeline.html>

Kansas Regulators Need Another Year to Decide Whether ITC Great Plains or Westar Can Build Transmission Lines in the Region

<http://www.kansascity.com/382/story/943643.html>

North Dakota PSC to Determine Siting Authority for Alliance's Proposed Prairie Rose Gas Pipeline Project

<http://www.minotdailynews.com/page/content.detail/id/522260.html?nav=5583>

Courts Rule that Shell Failed to Address Environmental Impacts in Permit to Drill Crude in Alaska's Beaufort Sea

http://www.forbes.com/reuters/feeds/reuters/2008/12/18/2008-12-19T002333Z_01_N18416175_RTRIDST_0_ENERGY-SHELL-BEAUFORT-UPDATE-2.html

Ruptured Tanker Truck Spilled About 3,600 Litres of Motor Oil on Highway 39 in Saskatchewan

<http://www.google.com/hostednews/canadianpress/article/ALeqM5hDwwTYk7-NhGdVjsKeK86DA9zVw>

Global Spending on Oil and Gas Exploration and Production to Decrease 12 Percent to \$400 Billion in 2009 due to Decreasing Energy Prices and Tight Credit Markets – Barclays Capital

Stock News, 07:57 December 19, 2008

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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