



ENERGY ASSURANCE DAILY

Thursday, November 02, 2006

Electricity

FERC Approves Incentives to Expand New England Power Grid

The U.S. Federal Energy Regulatory Commission (FERC) has authorized an increase in the return on equity for the owners of the ISO New England transmission grid to encourage expansion of the system. FERC says an expansion will reduce congestion and reliability problems, including involuntary load shedding.

http://today.reuters.com/news/articleinvesting.aspx?type=governmentFilingsNews&storyID=2006-11-01T150419Z_01_N01327004_RTRIDST_0_UTILITIES-FERC-NEWENGLAND.XML

GE Power Project to Increase Electricity Supply to New York City Grid by 300 MW

GE Energy Financial Services plans build and operate three variable-frequency transformers to enable a controlled transmission path between the PJM Interconnection and the New York ISO power grids. The project will allow up to 300 megawatts from the PJM Interconnection grid to flow to New York City. The transformers will be located at the 900-megawatt Linden, New Jersey co-generation power plant. Power will flow through an existing cable running from the Linden plant to Staten Island. GE plans to complete construction of the transformers by the end of 2009.

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7351510

Wind Turbines Could Compromise Military Radar Systems – DOD Report

According to a report released by the U.S. Department of Defense, clusters of high-standing wind turbines could compromise radar systems for missile-defense and air-traffic control systems. The report notes that the wind turbines cause radar system effects known as clutter, shadowing and tracking interference. These effects make it harder to detect and track targets flying at low altitude in the immediate vicinity of the turbines.

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7351314

Energy Northwest's 1,150 MW Columbia Station Shut October 31

The station shut when monitors showed problems with steam flow to the main turbine. A company spokesman said the outage should only last a few days.

Reuters, 20:11 November 1, 2006

Update: Dominion's 560 MW Kewaunee Nuke in Wisconsin Ramps Up to 57 Percent November 2

The unit shut on October 30 when an instrument bus unexpectedly de-energized during maintenance on an inverter. The de-energizing caused the water level in one steam generator to decline, which tripped the reactor.

Reuters, 07:14 November 2, 2006

Update: Entergy's 858 MW Arkansas Nuke Unit 2 Ramps Up to 75 Percent November 2

The unit was shut in order to repair damaged equipment in an electrical cabinet due to a brief fire on October 30.

Reuters, 07:35 November 2, 2006

Enbridge Proposes Expansion of Alberta Clipper Pipeline to U.S. Midwest

The proposed expansion would allow Enbridge to ship up to 450,000 barrels per day from Alberta's booming oil sands projects to refining markets in the U.S. Midwest. The project, which was announced in February, was originally designed to move 400,000 b/d. The pipeline will run parallel to Enbridge's east-west main line. Pending approval from Canada's National Energy Board, the Alberta Clipper pipeline could be in operation by the end of 2009.

<http://www.theglobeandmail.com/servlet/story/RTGAM.20061101.wenbridge1101/BNStory/Business/home>

BP's Prudhoe Bay Pipeline Corrosion May Be Worse Than First Reported

According to a report in the Anchorage Daily News, corrosion along one of BP's Prudhoe Bay pipelines is worse than previously reported. The newspaper cites a test report that shows 176 spots on the pipeline where corrosion might have eaten through half the pipe wall or more. BP originally said that it found 16 anomalies in the pipeline where loss in wall thickness was between 70 and 81 percent. Operators are required to repair or replace corroded lines if more than 80 percent of the thickness has been lost.

http://www.ktva.com/alaska/ci_4580412

Louisiana Governor in Kuwait Later This Week to Push for New Refinery in U.S.

Louisiana Governor Kathleen Blanco will visit Kuwait in mid-November to persuade Kuwait to build a new refinery in Louisiana. According to Energy Intelligence reporting, the Governor said yesterday that Louisiana was close to reaching a preliminary agreement with Kuwait to build a \$4 billion refinery. Late last year, press reports indicated Kuwait was considering building a 400,000 b/d refinery in the U.S.

http://www.energyintel.com/PublicationHomePage.asp?publication_id=5

<http://www.nola.com/newsflash/louisiana/index.ssf?/base/business->

[4/116223835314140.xml&storylist=louisiana#continue](http://www.nola.com/newsflash/louisiana/index.ssf?/base/business-4/116223835314140.xml&storylist=louisiana#continue)

<http://www.freerepublic.com/focus/f-news/1699994/posts>

Update: Shell Reopened Two Flow Stations in Nigeria November 1

Royal Dutch Shell resumed production of 47,000 b/d of oil output at the Ekulama and Belema flow stations in Nigeria on November 1 following a protest by villagers last week. Shell said that members of the Kula community living near Shell's Ekulama 1, Ekulama 2 and Belema oil pumping stations took over the facilities after accusing Shell of failing to meet the terms of an agreement to provide them aid. The protesters left this week after issuing an ultimatum for Shell to deliver on promises to the community within three weeks.

Reuters, 10:28 November 2, 2006

<http://www.cnn.com/2006/WORLD/africa/10/25/nigeria.oil.ap/index.html>

Bloomberg News, 13:49 October 25, 2006

Alon USA Idles Unit at Big Spring, Texas Refinery

The unit was idled to repair tube leaks and valve failures.

Reuters, 10:04 November 2, 2006

Reuters, 10:10 November 2, 2006

Natural Gas

NGS Investments Proposes Three New Gas Storage Projects

The near record working gas levels in the U.S. is one of the major reasons NGS investments, located in Connecticut has proposed these new high-delivery gas storage projects.

<http://intelligencepress.com/>

Other News

Ethanol Plant in Wisconsin to Have Annual Capacity of 130 Million Gallons Per Year

The Renew Energy ethanol project near Jefferson, Wisconsin, will be the state's third ethanol plant under construction. The project, which is scheduled to begin operation in July 2007, will have a capacity of 130 million gallons of ethanol per year.

Source: (EIN STAFF: 11/1) 2006 EIN Publishing, Inc. 40 Washington Street, Wellesley, MA 02481

Energy Prices

U.S. Oil and Gas Prices			
November 2, 2006			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S. \$/Barrel	57.87	57.95	59.85
NATURAL GAS			
Henry Hub \$/Million Btu	7.32	7.51	10.80

Source: Reuters

Energy Notes

Colonial Pipeline Will Require Some Customers to Reduce Distillate Shipments for Five Days Beginning November 8

Bloomberg News, 11:22 November 2, 2006

Briton and American Kidnapped From Oil Prospecting Ship Off Nigerian Coast November 2

Reuters, 05:54 November 2, 2006

Dramatic Changes Needed to Meet 2005 Electricity Needs – Galvin Electricity Initiative

http://uaelp.pennnet.com/display_article/276053/22/ARTCL/none/none/Dramatic_changes_needed_to_meet_2025_electricity_needs:_Galvin_study/

U.S. Coast Guard Says Calypso LNG's Deepwater Port Application is Complete

http://www.earthtimes.org/articles/show/news_press_release.14572.shtml

Nuclear Industry Will Need 90,000 Workers by 2015 - NRC

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7350730

Update: TVA Browns Ferry Nuke Unit 1 in Alabama Will Likely Restart in May - NRC

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7352683

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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