



ENERGY ASSURANCE DAILY

Friday, October 20, 2006

Electricity

Update: 31,000 Customers Still Without Power in Western New York October 20

As of this afternoon, 31,000 National Grid and New York State Electric & Gas (NYSEG) customers were still without power in western New York. A freak snowstorm knocked out power to about 400,000 customers on October 12 and 13. National Grid customers account for 28,000 of the current outages and NYSEG customers account for 3,000.

<http://www.democratandchronicle.com/apps/pbcs.dll/article?AID=/20061020/NEWS01/610210301/1002/NEWS>

Entergy's 967 MW River Bend Nuke Unit in Louisiana Shut October 19

The reactor was idled after two feed-water valve controllers "inadvertently activated" October 19. The company hopes to restart the reactor on October 20.

Bloomberg News, 11:46 October 20, 2006

APS's 1,247 MW Palo Verde Nuke Unit 3 in Arizona Shut October 19 and Restarted October 20

The pump shut on October 19 when a valve failure caused two condensate pumps to trip. Today the unit ramped up and is expected to be operating at full power by October 23.

Reuters, 12:48 October 20, 2006

Bloomberg News, 13:24 October 20, 2006

AEP's 690 MW Oklaunion Coal-fired Unit in Texas Shut October 19-20

American Electric Power's unit was shut so that a condenser leak could be fixed. The company did not say when the unit would return to service.

Reuters, 08:17 October 20, 2006

AEP's 345 kV Transmission Line in South Texas Failed October 17

A four-mile section of American Electric Power's 345-kilovolt transmission line in South Texas failed October 17.

Temporary repairs have been made, and the company expects to begin making permanent repairs next week.

Reuters, 13:32 October 20, 2006

FERC Proposes Approval of 83 Bulk Power Reliability Standards

On October 19, the Federal Energy Regulatory Commission (FERC) issued a Notice of Proposed Rulemaking (NOPR) that proposes adoption of 83 standards designed to enhance the reliability of the electricity grid. The proposed standards recognize the importance of integrating demand response in the bulk power markets by addressing regional differences and establishing a glossary of standardized terms.

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7300163

California ISO Reduces Number of 'Must Run' Generators Due to Increased Number of Bilateral Contracts

The California ISO has announced a dramatic reduction in the amount of generation that must be designated as Reliability Must Run (RMR) megawatts. For 2007, the RMR has been dropped from 9,963 MW to 3,995 MW. The reduction is due an increase in the number of bilateral contracts between independent generating companies and those entities delivering electricity coupled with the implementation of a California Public Utilities Commission (CPUC) requirement that the electricity under contract must be deliverable to areas where transmission capacity is limited.

<http://www.caiso.com/1894/1894848a3e390.pdf>

Summary Judgment Halts Construction of 600 MW Coal-fired Plant in Illinois – Developers Must Obtain Updated Air Quality Permit

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7301052

Petroleum

OPEC Members Agree to Cut Oil Production by 1.2 Million b/d October 19

OPEC members, in a surprise move, agreed to cut the cartel's oil output quota by 1.2 million b/d, rather than the 1.0 million b/d that had been anticipated by market observers. The cut marks OPEC's first production cut in more than two years and the biggest cut since January 2002. Some sources said the move reflected a determination by OPEC to maintain prices at the current level. Others sources pointed to OPEC's historic inability to maintain announced quotas. On news of the cut, crude oil prices initially increased but later dropped on doubts that OPEC would adhere to the new quota.

Reuters, 12:36 October 20, 2006

Bloomberg News, 13:09 October 20, 2006

http://www.energyintel.com/PublicationHomePage.asp?publication_id=2

http://biz.yahoo.com/rb/061020/markets_oil.html?.v=1

http://biz.yahoo.com/ap/061020/oil_prices.html?.v=11

http://biz.yahoo.com/ap/061020/oil_prices.html?.v=14

Russia Announces It Will Not Cut Oil Output

Russia says it is not planning to cut crude oil output because its energy strategy is to increase oil production by more than 13 percent by 2020. Russia is not a member of OPEC.

Bloomberg News, 12:01 October 20, 2006

Valero Shuts Cat Cracker and FCC Units at 260,000 b/d Port Arthur, Texas Refinery October 19

A catalytic cracking unit and a fluid catalytic cracking unit were shut at Valero Energy Corporation's 260,000 b/d refinery in Port Arthur, Texas, on October 19.

Reuters, 09:16 October 20, 2006

Natural Gas

FERC Gives Environmental Approval to ANR's Four Natural Gas Storage Expansion Projects in Michigan

Natural Gas Intelligence 10 20 06

<http://intelligencepress.com/>

FERC Foresees No Major Problems for Natural Gas for the Coming Winter

The Federal Energy Regulatory Commission (FERC) is predicting that the natural gas market is likely to remain free of major problems during the coming winter. Reasons for the prediction include declining prices, forecasts of warmer than normal temperatures and a record level of gas in storage.

Natural Gas Intelligence 10 20 06

<http://intelligencepress.com/>

FERC to Act as Lead Agency on Natural Gas Infrastructure Review Issues

On October 19, the Federal Energy Regulatory Commission (FERC) issued a final rule that implements provisions of the Energy Policy Act of 2005 (EPAct) that provide for the FERC to be the lead agency and to coordinate the activities of other federal and state agencies in the review and processing of natural gas infrastructure projects.

Natural Gas Intelligence 10 20 06

<http://intelligencepress.com/>

<http://www.platts.com/Natural%20Gas/News/6307710.xml?p=Natural%20Gas/News&sub=Natural%20Gas>

New FERC Rule Expands Blanket Approval of Natural Gas Projects

On October 19, the Federal Energy Regulatory Commission (FERC) issued a final rule expanding the blanket certificate program to include certain mainline interstate natural gas pipelines, gas storage facilities and liquefied natural gas (LNG) import terminal takeaway facilities.

Natural Gas Intelligence 10 20 06

<http://intelligencepress.com/>

Baltimore Not Prepared for LNG Emergency - Security Chief Tells LNG Task Force

The director of the Office of Homeland Security and Emergency Management for Baltimore County told a meeting of the state's LNG task force, that Baltimore County lacks both sufficient personnel and the proper equipment to respond to an accident involving the proposed Sparrows Point LNG terminal.

http://www.baltimoresun.com/news/local/baltimore_county/bal-md.co.lng19oct19.0.7825567.story?coll=bal-local-headlines

Other News

Alaska Pipeline Oversight Agency Created

A new agency, the Arctic Pipeline Technology Team, will be created through a cooperative effort between the Alaska Department of Environmental Conservation, the Department of Natural Resources, the Alaska Oil and Gas Conservation Commission and the Federal Office of Pipeline Safety. The Team will gather and share information on pipeline integrity technology and which technologies are most appropriate for the region.

<http://www.manufacturing.net/article/CA6382363.html>

Ethanol Imports Hit Record Level in August – EIA

According to the latest information from the U.S. Energy Information Administration, imports of ethanol into the U.S. were at an all-time high in August. Imports were 3.2 million bbls during the month compared to 2.5 million bbls in July. In comparison, only 64,000 bbls were imported in January of this year, prior to the change to ethanol from MTBE as a blending component in gasoline

<http://www.platts.com/Petrochemicals/News/6307709.xml?p=Petrochemicals/News&sub=Petrochemicals>

Energy Prices

U.S. Oil and Gas Prices			
October 20, 2006			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	57.10	59.10	60.04
NATURAL GAS Henry Hub \$/Million Btu	6.77	5.13	13.24

Source: Reuters

Energy Notes

California ISO Seeks Guidance from FERC on Plan to Promote Development of Renewable Energy in Remote Locations

<http://www.caiso.com/1894/1894d3ab71aa0.pdf>

Peabody Energy Delays Opening of School Creek Coal Mine in Powder River Basin

<http://www.platts.com/Coal/News/6307759.xml?p=Coal/News&sub=Coal>

Update: Texas Environmental Agency Issues Draft Permits for Six Coal-fired Plants to TXU – Review Process to Begin

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7295887

Oil Exports Resume on Iraq-Turkey Pipeline at About 430,000 b/d

Oil Daily, October 20, 2006

Canada's Proposed Mackenzie Gas Pipeline Project Does Not Need Government Money – New Study

<http://www.canada.com/topics/news/national/story.html?id=1a11701b-a132-4072-9eb3-2443f998b665&k=62640>

Defective Test Equipment Sends False Alarm as Reactor Being Decommissioned in Wisconsin

<http://www.lacrossetribune.com>

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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