



ENERGY ASSURANCE DAILY

Friday Evening, May 23, 2008

Electricity

Tornadoes Devastate Parts of Colorado, Oklahoma, Wyoming and Kansas; Knock Out Power to About 90,000 Customers

Severe weather passed through parts of Oklahoma, Kansas, Colorado and Wyoming May 22 – 23, generating tornadoes and knocking out power to nearly 88,000 customers. Xcel Energy in Colorado, the hardest hit utility, reported that 60,000 customers were without power at the height of the storm. By late May 22, Xcel restored power to all but 15,000 customers. The remaining customers are expected to be without power for days as the company rebuilds damaged infrastructure. Tornadoes damaged over 200 of Xcel Energy’s distribution poles and six major transmission lines, including two 230 kV lines, near Xcel’s 420 MW Fort St. Vrain gas-fired power plant in Platteville, Colorado. Due to the severity of the damage, the company does not have an estimated restoration date. In addition to power system damage, Xcel also responded to a handful of natural gas leaks at homes that were ripped off their foundations.

Customer Power Outages May 22 - 23, 2008			
Electric Utility	State	Peak	Latest Reported
Xcel Energy	CO	60,000	15,000
Oklahoma Gas & Electric	OK	16,000	55
Rocky Mountain Power	WY	7,300	n/a
Westar Energy	KS	5,192	1,251
TOTAL*		88,492	16,306

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

Sources:

Xcel: <http://www.9news.com/news/article.aspx?storyid=92288>

http://www.denverpost.com/news/ci_9352829

<http://ap.google.com/article/ALeqM5jW-BndswWuhgPAPXOK4Q6TCQsANOD90RCTFO0>

OG&E: http://www.oge.com/systemwatch/graphs/History_Graph.asp

Westar: <https://www-11.westarenergy.com/outagemaps/outagetable.asp>

Rocky Mountain Power: http://www.gazette.com/articles/strikes_36634_article.html/tornado_apparent.html

NYISO Forecasts Sufficient Electricity Supply for Summer 2008

According to the New York Independent System Operator (NYISO), New York State has sufficient resources to serve the electricity needs of the 2008 summer season, barring unexpected extremes in weather conditions.

The NYISO forecasts New York’s summer 2008 peak electricity usage to reach 33,809 MW. The forecast is 1,640 MW (5.1%) higher than the 2007 summer peak of 32,169 MW that occurred on August 8, 2007.

http://www.nyiso.com/public/webdocs/newsroom/press_releases/2008/NYISO_Forecasts_Sufficient_Electricity_Supply_for_Summer_2008_052208.pdf

Dominion’s 871 MW Millstone Nuke Unit 2 in Connecticut Shut May 22

According to an NRC spokesman, Unit 2 shut after lightning struck the unit’s main transformer on the afternoon of May 22. The plant’s computerized safety system functioned properly and shut down Unit 2. No other damage was reported at the plant.

<http://www.newsday.com/news/local/wire/connecticut/ny-bc-ct--millstoneshutdown0523may23.0.3642614.story>

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

Energy's 1,107 MW Columbia Nuke Unit in Washington State Reduced to 82 Percent by May 23

According to the Nuclear Regulatory Commission, the unit was operating at 82 percent of capacity on the morning of May 23, down from 100 percent on May 22. According to a company spokesperson, the reduction is due to feedwater heaters that unexpectedly tripped offline.

Information derived from NRC Power Reactor Status Reports:

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

Bloomberg News, 11:33 May 23, 2008

NPPD's 764 MW Cooper Nuke Unit in Nebraska Reduced to 86 Percent by May 23

According to the Nuclear Regulatory Commission, the unit was operating at 100 percent on May 22.

Information derived from NRC Power Reactor Status Reports:

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

Bruce Power's 822 MW Bruce B Nuke Unit 7 in Ontario Shut May 23

According to a company spokeswoman, the unit shutdown early May 23 and operators are still investigating the cause of the outage, which was not expected.

Reuters, 07:59 May 23, 2008

CDWR's 933 MW Hyatt Hydro Unit in California Returns to Service by May 22

The unit was at full power on the afternoon of May 22, up from an unplanned curtailment of 423 MW reported on the afternoon May 21.

<http://www.caiso.com/unitstatus/data/unitstatus200805221515.html>

Duke Energy's 754 MW Moss Landing Gas-fired Unit 6 in California Returns to Service by May 22

The unit was at full power on the afternoon of May 22, up from 0 percent of capacity on the afternoon of May 21.

<http://www.caiso.com/unitstatus/data/unitstatus200805221515.html>

Watson's 423 MW Watson Gas-fired Unit in California Returns to Service by May 22

The unit was at full power on the afternoon of May 22, up from 0 percent of capacity on the afternoon of May 21.

<http://www.caiso.com/unitstatus/data/unitstatus200805221515.html>

Cabrillo's 330 MW Encina Gas-fired Unit 5 in California Returns to Service by May 22

The unit was at full power on the afternoon of May 22, up from 0 percent of capacity on the afternoon of May 21.

<http://www.caiso.com/unitstatus/data/unitstatus200805221515.html>

AES's 175 MW Alamosa Gas-fired Unit 2 in California Returns to Service by May 22

The unit was at full power on the afternoon of May 22, up from 0 percent of capacity on the afternoon of May 21.

<http://www.caiso.com/unitstatus/data/unitstatus200805221515.html>

AEP's 528 MW Welsh Coal-fired Unit 1 in Texas Shut May 23-28

Reuters, 10:30 May 23, 2008

Petroleum

IEA Preparing Landmark Study of World Oil Supply

According to chief economist Fatih Birol, the International Energy Agency is studying depletion rates at about 400 oil fields in a first-of-its-kind study of world oil supply. The IEA study, whose results will be released in November, was prompted by concern about the volatility of world oil markets and uncertainty about supply levels. In an interview with the Associated Press, Birol would not speculate on whether the forecast, which will predict supplies through 2030, could go sharply downward. IEA's past forecasts, which did not study depletion rates at individual oil fields, estimated that crude oil supply would grow to about 116 million b/d in 2030. Current world oil supply is about 87 million b/d.

<http://www.latimes.com/business/investing/wire/sns-ap-international-energy-agency-oil-supply.1.1988076.story>

Mexico's April Crude Oil Production Fell 13 Percent from March Levels

Pemex said May 23 that its April crude oil production dropped to 2.767 b/d, down 13 percent from March levels, and below Pemex's 3.0 million b/d target for the seventh straight month. The drop is attributed to a fall in production at the Cantarell offshore oil field, which has declined faster than anticipated. Cantarell is one of the largest oilfields in the world and is the source of the majority of Mexico's crude oil production.

Reuters, 14:04 May 23, 2008

Bloomberg News, 14:51 May 23, 2008

Compressor Shut at ExxonMobil's 150,000 b/d Torrance, California Refinery May 22

According to a company spokeswoman, the unexpected compressor shutdown is still under investigation but the outage will have a minimal impact on production.

Reuters, 09:30 May 23, 2008

Natural Gas

Nothing to report.

Other News

NOAA Predicts Near Normal or Above Normal Atlantic Hurricane Season

The National Oceanic and Atmospheric Administration's (NOAA's) Climate Prediction Center today announced that projected climate conditions point to a near normal or above normal hurricane season in the Atlantic Basin this year. The hurricane season begins June 1.

http://www.noaaneews.noaa.gov/stories2008/20080522_hurricaneoutlook.html

BLM Report Says 60 Percent of Onshore Public Lands with Oil and Gas Potential Are Off Limits

The Bureau of Land Management (BLM) has released a study estimating onshore public lands contain 31 billion barrels of oil and 231 trillion cubic feet of natural gas. The BLM administers leasing of onshore Federal oil and gas resources. The inventory found that 60 percent of the onshore Federal lands that have potential as domestic sources for natural gas and oil are presently closed to leasing, making 62 percent of the oil and 41 percent of the natural gas inaccessible for development. An additional 30 percent of onshore Federal oil and 49 percent of onshore Federal gas may only be developed subject to restrictions over and above standard environmental lease terms, including seasonal timing limitations. The study found that in the inventory areas just 8 percent of onshore Federal oil and 10 percent of onshore Federal gas are accessible under standard lease terms.

http://www.blm.gov/wo/st/en/info/newsroom/2008/may_08/NR_052108.html

Energy Prices

U.S. Oil and Gas Prices			
May 23, 2008			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	131.58	126.50	64.83
\$/Barrel			
NATURAL GAS			
Henry Hub	11.56	11.31	7.60
\$/Million Btu			

Source: Reuters

DOE Secretary Bodman Rejects Call for SPR Release to Bring Down Oil Prices

<http://www.washingtonpost.com/wp-dyn/content/article/2008/05/22/AR2008052201667.html>

Update: SPR Fill Suspension Calling into Question Long-Range Plans to Construct New Storage Site in Richton, Mississippi

http://online.wsj.com/article/SB121149091052915297.html?mod=special_page_campaign2008_leftbox

Oil Industry, Lawmakers Aim to Lift Moratoriums on Offshore Drilling and Accelerated Leasing on Federal Lands

http://online.wsj.com/article/SB121149858423815755.html?mod=hps_us_whats_news

EIA Estimates Opening ANWR Would Cut 75 Cents per Barrel from Oil Price by 2025

http://www.marketwatch.com/news/story/anwr-drilling-could-cut-75/story.aspx?guid=%7B26229D0C-EC53-4FF1-BC12-6CE405A403AC%7D&dist=msr_4

Alaska Governor Recommends State Lawmakers Approve TransCanada's North Slope Natural Gas Pipeline Proposal

<http://www.canadaeast.com/rss/article/304160>

Fishermen Blocking Two French Refineries in Protest Over High Diesel Prices Tonkin LNG Import Terminal in France Resumes Operations

<http://www.platts.com/Oil/News/8757184.xml?p=Oil/News&sub=Oil>

Swedish Police Release Two Men Suspected of Trying to Sabotage Oskarshamn Nuclear Power Plant

<http://www.platts.com/Nuclear/News/7008546.xml?p=Nuclear/News&sub=Nuclear>

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

Energy Assurance Daily provides a summary of public information concerning current energy issues. Published Monday through Friday to inform stakeholders of developments affecting energy systems, flows, and markets, it provides highlights of energy issues rather than a comprehensive coverage. *Energy Assurance Daily* is updated online Monday through Friday after 5:00 p.m. EST. For more information, visit the Infrastructure Security and Energy Restoration (ISER) website at:

<http://www.oe.netl.doe.gov/index.aspx>.

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