



ENERGY ASSURANCE DAILY

Wednesday Evening, October 22, 2008

Electricity

Jellyfish Threaten Pumps at PG&E's Diablo Canyon Nuclear Plant in California, 1,087 MW Unit 2 Shut and 1,087 MW Unit 1 Operating at 50 Percent October 22

According to a PG&E representative and as reported in the Nuclear Regulatory Commission daily status report, PG&E shut the Diablo Canyon 2 reactor because an influx of jellyfish reduced water flow to pumps. The Diablo Canyon 1 reactor was reduced to 50 percent of capacity as a precautionary measure because of the potential loss of water flow due to the jellyfish.

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

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

Reuters, 8:14 October 22, 2008

Bloomberg News 12:43 October 22, 2008

AES's 225 MW Huntington Beach Gas-fired Unit 3 in California Shut by October 21

Reuters, 19:17 October 21, 2008

Exelon's 1,116 MW Peach Bottom Nuke Unit 2 in Pennsylvania Ramped Up to 77 Percent by October 22

According to the Nuclear Regulatory Commission, the unit was operating at 20 percent on October 21.

Information derived from NRC Power Reactor Status Reports:

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

FERC Approves Much of Midwest ISO's Resource Adequacy Plan

The resource adequacy plan put forth by Midwest Independent Service Operator (MISO) to the Federal Energy Regulatory Commission (FERC) has won approval for most of its elements. Set to begin in 2009, the resource adequacy plan will establish reserve margins for a 15-state market, encourage construction and bilateral contracting for resources and add a capacity auction market as a method for load-serving entities that fail to build or buy ample resources elsewhere.

<http://www.platts.com/Electric%20Power/News/6993117.xml?p=Electric%20Power/News&sub=Electric%20Power>

Allegheny and AEP Plan New Route for Jointly Proposed Potomac-Appalachian Transmission Line

Based on public input, siting studies and the desire to minimize the impact on communities and the environment, Allegheny Energy together with American Electric Power (AEP) have decided to change the route of their jointly planned high-voltage Potomac-Appalachian Transmission Highlight or PATH project. PATH is intended to provide more electricity to the region and prevent blackouts predicted to begin in 2011. New alternative routes are being developed, an AEP representative said.

<http://www.pathtransmission.com/news.asp>

Sequoia Energy Proposes 150 MW Wind Farm in North Dakota

The company has submitted a letter of intent to the North Dakota Public Service Commission regarding the 150 MW 'Border Winds' project to be located in Rolette and Towner counties. The wind farm is expected to be operational by fall of 2010 and will connect to an Xcel Energy transmission line.

<http://www.grandforksherald.com/articles/rss.cfm?id=90302>

Enmax's 250 MW Calgary Gas-fired Unit in Alberta Shut by October 21

Reuters, 8:14 October 22, 2008

OPG's 490 MW Nanticoke Coal-fired Unit 8 in Ontario Shut by October 22

Reuters, 9:02 October 22, 2008

OPG's 215 MW Atikokan Coal-fired Unit in Ontario Shut by October 22

Reuters, 8:14 October 22, 2008

Update: Sempra's 615 MW Termoelectrica De Mexicali Gas-fired Unit 1 in Mexico Returns to Service by October 21

According to the California Independent System Operator, the unit returned from an unplanned outage.

<http://www.caiso.com/unitstatus/data/unitstatus200810211515.html>

Petroleum

Oil Prices at 16-Month Low on 3.2 Million Barrel Rise in Crude Supplies, Among other Factors

Today, October 22, oil futures prices fell \$5.43 for December crude delivery to end the session at \$66.75 a barrel in New York, reaching prices not seen since June 2007. The Energy Information Administration's *This Week in Petroleum* reported crude stockpiles have risen by 3.2 million barrels in the week ending October 17 showing indication that the slowing economy has impacted demand for fuel. Supplies for motor gasoline rose by 2.7 million barrels, while supplies of distillates increased by 2.2 million barrels while the AAA said the average U.S. price of a gallon of gasoline had fallen to \$2.858 a gallon.

<http://money.cnn.com/2008/10/22/markets/oil/?postversion=2008102210>

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Natural Gas

Petrohawk Energy Announces 'Significant' Discovery in Eagle Ford Shale, Texas

Petrohawk Energy announced October 21 a discovery well it drilled in the Eagle Ford Shale of south Texas has brought 7,600 MMcf/d of natural gas production and 250b/d of condensate.

<http://www.platts.com/Natural%20Gas/News/6991874.xml?p=Natural%20Gas/News&sub=Natural%20Gas>

<http://intelligencepress.com/>

Other News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices			
October 22, 2008			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	67.12	75.25	86.50
\$/Barrel			
NATURAL GAS			
Henry Hub	6.76	6.74	6.91
\$/Million Btu			

Source: Reuters

Energy Notes

Department of Interior Announces Plans to Expand Geothermal Energy Development on 190 Million Acres of Federal Land in 12 Western States

http://www.doi.gov/news/08_News_Releases/102108b.html

First Wind Receives Bureau of Land Management Permit for its 300 MW Milford Wind Corridor Project to be Located in Utah

<http://www.firstwind.com/aboutFirstWind/news.cfm?ID=651f2991%2Dde25%2D45fb%2D83f2%2Df83b65959b52>

Small Fire Reported at Husky Energy's 170,000 b/d Lima, Ohio Refinery October 21, No Impact on Production Husky Spokesman Said

Bloomberg News, 12:39 October 22, 2008

County Planners Recommend Approving Big West of California's Bakersfield, California Refinery Expansion Following Positive Safety Review

http://www.downstreamtoday.com/News/Articles/200810/Calif_County_Will_Support_Refinery_Expn_13411.aspx

Gasoline Tanker Explosion Caused by Multi-car Crash Shuts Down I-880 through Downtown Oakland, California October 22

http://www.pressdemocrat.com/article/20081022/NEWS/810220293?Title=Tanker_explosion_shuts_I_880

OPEC Exports, Excluding Ecuador, Down 900,000 b/d in Four Weeks to October 5

http://www.rigzone.com/news/article.asp?a_id=68088

Columbia Gas Transmission and MarkWest Energy Announce Plans to Expand Natural Gas Midstream Services in West Virginia by 70 MMcf/d by mid 2009

<http://www.markwest.com/files/MWE/MWE%20Columbia%20Cobb%20Expansion%20FINAL.pdf>

Iroquois Gas Transmission Seeks Swift FERC Action to Operate Phase One of Loop Expansion Facilities to Provide Increased Natural Gas Supplies to New York City

<http://intelligencepress.com/>

FERC Issues Favorable Environmental Assessment of Southeast Gas Storage's Proposal to Build 24.7 Bcf Storage Facility of Working Gas Capacity in Mississippi October 21

<http://intelligencepress.com/>

Petroleum Co. of Trinidad & Tobago's 165,000 b/d Pointe-a-Pierre Refinery Forced to Evacuate due to gas leak October 21

Bloomberg News, 06:42 October 22, 2008

Nigeria Oil Union Suspends Strike Threat After Government Reassures no Plans to Privatize Downstream Units of State Owned Oil Firm

Reuters, 05:38 October 22, 2008

Russia Considers Creating Oil Reserve, Deputy Prime Minister Says

Reuters, 03:24 October 22, 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

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/ead.aspx>

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