

U.S. DEPARTMENT OF ENERGY Office of Electricity Delivery and Energy Reliability

Infrastructure Security and Energy Restoration

ENERGY ASSURANCE DAILY

Tuesday Evening, January 12, 2010

Electricity

Cold Weather Leads to Power Outages, Record Electric Demand across U.S. Southeast January 11-12

Some 22,500 Florida Power and Light (FPL) customers and 19,900 Gulf Power customers in Florida were without power on January 11 as cold weather led to record spikes in electric demand, sources said. At least six Southeast U.S. companies—FPL, Gulf Power, Progress Energy, Duke Energy, Southern Company and LCEC—reported a record surge in electricity usage.

http://www.progress-energy.com/aboutus/news/article.asp?id=23322

http://southerncompany.mediaroom.com/index.php?s=43&item=2020

http://www.nwfdailynews.com/news/navarre-24625-causes-cold.html

http://www.palmbeachpost.com/weather-news/waking-to-the-30s-warming-to-the-60s-172773.html http://www.abc-7.com/Global/story.asp?S=11803093

http://www.nbcmiami.com/news/local-beat/Turn-Up-the-Heat-Turn-Out-the-Lights-81167622.html http://finance.yahoo.com/news/Progress-Energy-sets-record-apf-1211055614.html?x=0&.v=1 http://finance.yahoo.com/news/Duke-Energy-sets-record-for-apf-3481590624.html?x=0&.v=2

Entergy's 951 MW Indian Point Nuke Unit 2 in New York Shut January 11

The unit shut "due to a main generator electrical trip" on January 11, the company said in a filing with the Nuclear Regulatory Commission (NRC). The NRC reported that on the morning of January 11 the unit was operating at full power.

http://www.nrc.gov/reading-rm/doc-collections/event-status/event/en.html Information also derived from the NRC Power Reactor Status Reports: http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2010/

FPL's 693 MW Turkey Point Nuke Unit 4 in Florida Shut January 11

Operators shut the unit due to "high steam generator level" on January 11, the company said in a filing with the Nuclear Regulatory Commission (NRC). The NRC reported that on the morning of January 11 the unit was operating at full power.

http://www.nrc.gov/reading-rm/doc-collections/event-status/event/en.html Information also derived from the NRC Power Reactor Status Reports: http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2010/

Duke Energy's 510 MW Moss Landing Gas-fired Unit 2 in California Reduced by January 11

According to the California Independent System Operator, the unit reported an unplanned curtailment of 102 MW by January 11

http://www.caiso.com/unitstatus/data/unitstatus201001111515.html

Update: Luminant's 1,150 MW Comanche Peak Nuke Unit 1 in Texas Ramped Up to 55 Percent by January 12

The unit shut automatically on January 9 due to a turbine trip "on sudden pressure in output transformer," the company said in a previous filing with the Nuclear Regulatory Commission. The NRC reported that on the morning of January 11 the unit was operating at 30 percent.

http://www.nrc.gov/reading-rm/doc-collections/event-status/event/en.html

Information also derived from the NRC Power Reactor Status Reports: http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2010/

Update: Constellation's 1,120 MW Nine Mile Point Nuke Unit 2 in New York at Full Power by January 12

The unit scrammed due to "low reactor water level" by January 8, the company said in a previous filing with the Nuclear Regulatory Commission. The NRC reported that on the morning of January 11 the unit was operating at 50 percent.

http://www.nrc.gov/reading-rm/doc-collections/event-status/event/en.html http://www.9wsyr.com/news/local/story/Nine-Mile-Point-2-shutdown-for-cooling-system/BX9Wi-JSaE6VCivMBjqk5A.cspx Information also derived from the NRC Power Reactor Status Reports:

http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2010/

Update: Progress Energy's 811 MW Brunswick Nuke Unit 2 in North Carolina Ramped Up to 91 Percent by January 12

The Nuclear Regulatory Commission reported that on the morning of January 11 the unit was operating at 40 percent.

Information derived from the NRC Power Reactor Status Reports:

http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2010/

Update: NV Energy Abandons Transmission Line Project in Nevada, to Partner with Great Basin Transmission on Competing Proposal

NV Energy abandoned plans to construct a 200-plus-mile transmission line in Nevada, and instead joined LS Power's competing proposal to construct a 500-kV line along the same route, the company and news sources said. The line would connect the Harry Allen substation near Las Vegas to a substation near Ely, farther north, serving renewable producers in central and eastern Nevada. The companies would break ground later this year, according to a press release.

http://www.lasvegassun.com/news/2010/jan/11/nv-energy-partner-competitor-transmission-line/ http://finance.yahoo.com/news/NV-Energy-and-Great-Basin-bw-1298267826.html?x=0&.v=1

Petroleum

Update: Texas Hours-of-Service Waiver Expires January 11, but 22 States Remain Under Exemption as Cold Weather Continues across United States January 12

Hours-of-service exemptions remained in effect across 22 states—down from 23 yesterday—for trucks delivering propane and heating fuel, the National Propane Gas Association said on January 12. The exemptions in Kansas and Delaware were scheduled to expire today. Virginia, West Virginia and Iowa made their declarations in previous months.

http://www.npga.org/i4a/pages/index.cfm?pageid=832

Minnesota Waives Biodiesel Blending Mandate from January 15 to March 31, Citing Cold

The Minnesota Department of Commerce temporarily lifted its requirement to mix 5 percent biodiesel into #1 diesel, responding to concerns that the mix "could lead to clogged filters in extreme cold weather," the department said on its website. The waiver will run from January 15 to March 31.

http://www.state.mn.us/portal/mn/jsp/content.do?id=-

536882793&subchannel=null&sc2=null&sc3=null&contentid=536919233&contenttype=EDITORIAL&programid= 536912010&agency=Commerce

Bloomberg News, 13:22 January 12, 2010

Update: Enbridge Sees no Customer Impact after Leak, Shutdown along Lakehead Oil Pipeline System through North Dakota

Enbridge shut the 440,000 b/d Line 2b—part of the Manitoba-to-Wisconsin "Lakehead" oil pipeline system—after it discovered an estimated 3,000-barrel oil spill in North Dakota on January 8, the company said previously. The company redirected crude along parallel lines, however, and said on January 11 that the shutdown had not impacted customer deliveries. The Lakehead pipeline system delivers oil from Western Canada to the United States. It stretches 1,900 miles, and reaches as far south as Oklahoma.

http://www.reuters.com/article/idUSN1012961620100111?type=marketsNews

Reuters, 22:18 January 10, 2010

Reuters, 14:43 January 11, 2010

Update: Coker Remains Reduced after Late-December Fire at 225,000 b/d Texas City, Texas Refinery by January 12

Valero has no timetable for repairing the 90,000 b/d coker unit, reduced since a December 24 fire, a company spokesman said by January 12. Bloomberg News, 13:15 January 12, 2010

Update: Chevron Restarts Hydrocracker after Late-Week Snag at 250,000 b/d El Segundo, California Refinery

Chevron restarted the unit over the weekend, a spokesman said on January 11. It shut due to a compressor malfunction, he said. Bloomberg News, 10:24 January 8, 2010 http://online.wsj.com/article/BT-CO-20100112-706635.html?mod=WSJ_latestheadlines http://money.cnn.com/news/newsfeeds/articles/djf500/201001082241DOWJONESDJONLINE000567_FORTUNE5_.htm

Kinder Morgan Mulling 30,000 b/d Expansion along Existing 70,000 b/d, 12-inch, 1,900mile, Alberta-to-Ontario Cochin Oil Product Pipeline through Multiple U.S. States

The expansion would serve customers in Minnesota, Michigan and Ohio, and producers from the Bakken area in the U.S. Northwest and Canada.

http://www.kindermorgan.com/business/products_pipelines/cochin.cfm http://www.prairiebizmag.com/event/article/id/10404/

Update: Chevron Shuts 20,000 b/d of Oil Production after January 8 Pipeline Attack in Nigeria

Chevron shut in just 20,000 b/d of production—contrary to a previous news source that said the figure was actually 100,000 b/d—after gunmen attacked the Makaraba-Utonana pipeline in Nigeria on January 8, the company said on January 9.

http://af.reuters.com/article/topNews/idAFJOE60903520100110?pageNumber=1&virtualBrandChannel=0 http://www.punchng.com/Articl.aspx?theartic=Art201001100465368

Natural Gas

Cold Weather Boosts Natural Gas Demand as AGL Resources Sets New Company Record for Peak-Day Delivery across U.S. East Coast January 8

AGL resources delivered 3,078,06 dekatherms of natural gas to customers from New Jersey to Florida on January 8, breaking the record it set just five days earlier, the company said in a release. http://www.aglresources.com/pressroom/news_details.aspx?releaseID=1373657&earn=1

Texas Eastern Transmission Restores 150 MMcf/d of Capacity after Compressor Outage along Natural Gas Pipeline through New Jersey

A power failure forced offline a compressor unit in Lambertville, New Jersey on January 11, reducing throughput at the site by about 150 MMcf/d, the company said previously. The station is part of the 6.7 Bcf/d, 9,200 mile, Gulf Coast-to-U.S. Northeast Texas Eastern Transmission natural gas pipeline system. Reuters, 09:36 January 12, 2010

Regency Energy Partners, Alinda Capital Partners and GE Energy Financial Services Complete 1.1 Bcf/d Project along Natural Gas Pipeline System in North Louisiana by January 12

The project consisted of the 25-mile, 36-inch Bienville Loop, the 21-mile, 36-inch Elm Grove Pipeline and the 75-mile, 42-inch Winnsboro Loop, according to a press release. It included new compression at two existing stations. Regency also completed its 100,000 MMbtu/d, 36-inch, 12.5-mile Red River Lateral. The projects, combined, boosted capacity more than two-fold along its "Regency Intrastate Gas System." http://phx.corporate-ir.net/phoenix.zhtml?c=194063&p=irol-newsArticle&ID=1373971&highlight=

NW Natural Gas Subsidiary Breaks Ground on 20 Bcf Gill Ranch Natural Gas Storage Project in California

The project will include an approximately 30-inch, 27-mile pipeline to connect with a nearby Pacific Gas & Electric (PG&E) line, according to a press release. The company expects to complete the project's first phase in August 2010.

http://www.snl.com/Cache/1001150168.PDF?D=&O=PDF&IID=4057132&Y=&T=&FID=1001150168

Williston Basin Boosts Capacity by 42 MMcf/d along Natural Gas Pipeline System in Western United States

Williston Basin Interstate Pipeline Company completed the 32 MMcf/d "Bakken Expansion" and the 10 MMcf/d "Sheyenne Expansion" along its Western U.S. natural gas pipeline in December 2009, a news source said. The line runs through Montana, North Dakota, South Dakota and Wyoming, according to the company's website. http://www.wbip.com/Profile/Pages/AreasofOperation.aspx http://www.willistonherald.com/articles/2010/01/11/news/doc4b4b520550c2d295671925.txt

McMoRan Says Shallow Gulf of Mexico Prospect Could Be Among Area's Largest Natural Gas Finds "in Decades"

The company drilled more than 28,000 feet at its Davy Jones prospect in the Gulf of Mexico, and results suggested the area held 135 net feet of hydrocarbon-bearing sands, the company said. It could be "one of the largest discoveries (in the shallow waters) of the Gulf of Mexico in decades," a company official said. <u>http://www.reuters.com/article/idUSSGE60A0J620100111?type=marketsNews</u> <u>http://www.nola.com/business/index.ssf/2010/01/mcmoran_exploration_announces.html</u>

Other News

Judge Vacates Peabody Permit for Black Mesa Strip Mine in Arizona January 7

An Interior Department judge vacated a life-of-mine permit that would have authorized Peabody Western Coal Co. to widen its coal-mining zone on Black Mesa in Arizona, news sources said. The area still contains some 5,000 acres of untapped reserves. The Office of Surface Mining Reclamation and Enforcement (OSM), which issued the permit, violated the National Environmental Policy Act because it failed to prepare "a supplemental draft environmental impact statement (EIA) when Peabody changed the proposed action," the judge said. http://www.azdailysun.com/news/local/article_0de78613-7d6a-50fe-8369-395b18c8bb0f.html http://www.indiancountrytoday.com/home/content/81166812.html http://www.fox11az.com/news/local/81011157.html

Update: Clean Burn Fuels Plans February Start-Date for 60 MMGal/Yr. Corn-based Ethanol Plant in North Carolina

The company expects to receive its first corn shipment on February 1, and begin production later in the month, a news source said.

http://ethanol-news.newslib.com/story/6938-34420/

Hybrid Cars to Have Minimal Impact on U.S. Oil Demand—Raymond James Analysts

Even if hybrid cars account for one-third of new car purchases in 2020—a high-end estimate—the cars will displace only 200,000 b/d of oil demand, or 1 percent of U.S. oil consumption, analysts at Raymond James say. http://greeninc.blogs.nytimes.com/2010/01/11/hybrid-cars-wont-save-much-oil/

Energy Prices

U.S. Oil and Gas Prices January 12, 2010			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	81.00	81.65	37.90
NATURAL GAS Henry Hub \$/Million Btu	5.77	6.09	5.60

Source: Reuters

Energy Notes

Scrapyard and Police Working Together to Identify Copper Thieves in Ohio—AEP Offers Reward for Information after Theft-Caused Weekend Power Failure http://www.10tv.com/live/content/local/stories/2010/01/11/story-columbus-copper-thefts.html

County Judge Criticizes Kentucky Power's Tree-Clearing Efforts throughout State—Says Utility's "Pure Neglect" to Blame for Recent Power Outages http://www.seattlepi.com/business/1310ap_us_winter_storm_pike_outages_kentucky.html

West Virginia PSC Orders Investigation into Power Outages after Winter Storm in Mid-December

http://www.psc.state.wv.us/press/2010/press_20100111.pdf

We Energies Receives PSC Approval for Planned 207 MW Glacier Hills Wind Park in Wisconsin January 11—Siting Restrictions Could Prevent Site from Reaching Full Size http://www.jsonline.com/business/81190617.html

Basin Electric Power Doubles Capacity to 99 MW at Wilton Wind Energy Center in North Dakota

http://www.prairiebizmag.com/event/article/id/10411/group/Monthly Features/

Cornell University Plans 30 MW Gas-fired Heat and Power Plant in New York—Expects Site to Come Online as Soon as Summer of 2011

http://www.environmentalleader.com/2010/01/12/cornells-82m-chp-plant-to-reduce-carbon-footprint-30/

Crownbutte Wind Power Inks Grid Interconnection Deal with Midwest ISO, Montana-Dakota Utilities for Planned 19.5 MW Gascoyne I Wind Power Project in North Dakota by January 12

http://www.crownbutte.com/NewsItemID-7-NewsItemDetail.aspx

Update: Greengate Power Corporation Receives Provincial Okay for Planned 150 MW Halkirk I Wind Project in Alberta—Company Expects to Open Facility in First Quarter of 2011

http://www.prnewswire.com/news-releases/greengate-power-receives-provincial-approval-for-albertas-largest-windenergy-project-81214262.html Breaker Shutdown Triggers Flaring at ExxonMobil's 348,500 b/d Beaumont, Texas Refinery January 9

http://online.wsj.com/article/BT-CO-20100112-706635.html?mod=WSJ_latestheadlines

Process Upset Triggers Flaring at Houston Refining's 270,600 b/d Houston, Texas Refinery January 11

http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=134291

Diesel Tank Leaks Unknown Quantity of Fuel into Sweeper Cove, Alaska by January 11— Tank Contained Approximately 100,000 Gallons of Diesel http://www.latimes.com/news/nationworld/nation/wire/sns-ap-us-fuel-spill-alaska,0,912169.story

Update: BP Completes Most Cleanup Work after Estimated 1,091-Barrel Oil-and-Water Spill in Late November along 18-inch Pipeline in Prudhoe Bay, Alaska by January 11 http://www.rigzone.com/news/article.asp?a_id=85408

Chevron Oil-Equivalent Output Jumps 9 Percent to Approximately 2.773 Billion Boe/d, in First Two Months of Quarter, Year-on-Year http://online.wsj.com/article/BT-CO-20100111-716326.html?mod=WSJ_latestheadlines

Four Shell Workers Kidnapped in Niger Delta, Nigeria January 12 http://online.wsj.com/article/BT-CO-20100112-706890.html?mod=WSJ World MIDDLEHeadlinesEurope

Southern Union Reports Leak along 6-inch Natural Gas Pipeline in Texas January 11 http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=134309

Chesapeake Produces Nearly 13 MMcf/d during October 2009 at "Day Kimball Hill #A1" Well in Texas—Well is Largest in Bakken Shale http://www.rigzone.com/news/article.asp?a_id=85399

ProspEx Produces 24.4 MMcf/d of Natural Gas at East Kakwa Well in Western Canada http://www.rigzone.com/news/article.asp?a_id=85445

Update: El Paso Corporation Receives Final FERC EIS for Planned Wyoming-to-Oregon Ruby Natural Gas Pipeline by January 12

http://pipelinesinternational.com/news/ferc_gives_ruby_pipeline_green_credentials/011750/

Tank Ruptures on Ethanol-Containing Ship in New York—Ship Did Not Spill any Ethanol, Officials Say

http://ethanol-news.newslib.com/story/6938-34430/

North Carolina's Morehead City Port Offline after Accidental Punctures of Containers Holding Highly-Explosive Materials January 12 Reuters, 11:35 January 12, 2010

Ford Motor Company to Invest another \$450 Million in Electric Vehicles—Plans to Construct Next-Generation Hybrid and Plug-in Hybrid in Michigan Beginning in 2012 http://www.prnewswire.com/news-releases/ford-invests-450-million-more-in-electric-vehicles-next-generationhybrid-plug-in-hybrid-and-new-bev-will-be-produced-at-michigan-assembly-plant-81169457.html

Governor on Hand as Cobalt Technologies Launches Biobutonol Fuel Plant in California January 12—Company Plans Larger Facility in Coming Years http://www.cobaltbiofuels.com/news/news-item/california-governor-launches-cobalt-technologies-low-carbon-fuelplant/

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

Please direct comments and questions to: ead@oe.netl.doe.gov