



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

# ENERGY ASSURANCE DAILY

Wednesday Evening, January 12, 2011

## Major Developments

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### **Update: After Leak-Induced Shutdown, Alyeska Restarts TAPS Oil Pipeline System in Alaska January 11 – Company to Operate Line at Reduced Rates for Several Days**

Alyeska Pipeline Service Company restarted its 800-mile Trans Alaska Pipeline System (TAPS) at reduced rates – about 400,000 b/d – on January 11, but state and company sources referred to the restart as a temporary measure designed to prevent the pipeline and associated tanks from freezing. Alyeska shut the line on January 8 after it found crude oil leaking into the basement of a booster pump building; despite the restart, the company was not expected to resume normal operations until it installed a bypass pipe around the leak site. That work could take about five days, according to sources familiar with the situation. The initial shutdown forced Prudhoe Bay producers to slash crude output to 5 percent of normal: from 630,000 b/d, on average, to approximately 31,500 b/d, multiple news and company sources reported. The temporary restart would allow those producers to ramp up output, according to Alyeska. The pipeline delivers crude oil from the Prudhoe Bay field to a port in Valdez, Alaska; it transported 642,261 b/d of oil, on average, in December 2010, according to Alyeska's website. The shutdown had not disrupted shipments at the Valdez port, as of latest reports. Flint Hills Resources, separately, said it was not having trouble supplying customers from its 220,000 b/d refinery in Fairbanks, Alaska. The company, however, was shifting crude between supply and return tanks "to keep things warm," a company spokesman said. The spokesman said the site had enough on-site storage to "take care of our needs" until the pipeline resumed normal service.

<http://www.reuters.com/article/idUSWEN542420110111>

<http://www.bloomberg.com/news/2011-01-12/alaska-oil-pipeline-restarts-will-operate-at-reduced-rates.html>

<http://newsminer.com/bookmark/10975602-Flint-Hills-GVEA-express-no-worries-about-Alaska-oil-pipeline-shutdown>

[http://www.upi.com/Science\\_News/Resource-Wars/2011/01/12/Trans-Alaska-pipeline-reopened/UPI-42001294841519/](http://www.upi.com/Science_News/Resource-Wars/2011/01/12/Trans-Alaska-pipeline-reopened/UPI-42001294841519/)

[http://dec.alaska.gov/spar/perp/response/sum\\_fy11/110108301/110108301\\_index.htm](http://dec.alaska.gov/spar/perp/response/sum_fy11/110108301/110108301_index.htm)

[http://www.alyeska-pipe.com/Inthenews/LatestNews/2011/PS1incident/PressRelease1\\_PS1.html](http://www.alyeska-pipe.com/Inthenews/LatestNews/2011/PS1incident/PressRelease1_PS1.html)

<http://www.reuters.com/article/idUSL3E7CA0T620110110>

DJN, 12:44 January 10, 2011

Reuters, 12:51 January 10, 2011

Reuters, 13:15 January 12, 2011

## Electricity

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### **Snowstorm Knocks Out Power to 132,000 Customers in Massachusetts and Rhode Island January 12 – More Than 35,000 Remain Without Power, as of Latest Reports**

A snowstorm cut electricity to about 76,000 National Grid customers and 17,000 NStar customers in Massachusetts, and 39,000 National Grid customers in Rhode Island, multiple news and company sources reported. Some 19,025 National Grid customers and 16,000 NStar customers in Massachusetts, and 833 National Grid customers in Rhode Island remained without power, as of latest reports.

National Grid (Massachusetts): <http://www1.nationalgridus.com/masselectric/stormcenter/> ,

<http://www.itemlive.com/articles/2011/01/12/updates/update06.txt>

NStar: <http://www.nstar.com/residential/> , [http://twitter.com/nstar\\_news](http://twitter.com/nstar_news)

National Grid (Rhode Island): <http://www1.nationalgridus.com/narragansett/stormcenter/> ,

[http://www.boston.com/news/local/rhode\\_island/articles/2011/01/12/ri\\_readies\\_for\\_snow\\_up\\_to\\_16\\_inches\\_forecast/](http://www.boston.com/news/local/rhode_island/articles/2011/01/12/ri_readies_for_snow_up_to_16_inches_forecast/)

## **Snow Storm Largely to Blame as 36,563 BC Hydro Customers Lose Power in Vancouver Island, British Columbia January 12**

A snow storm caused most of the outages, according to BC Hydro's website. Some 26,879 customers remained without power, as of latest reports.

<http://www.bchydro.com/outages/orsTableView.jsp>

<http://www.timescolonist.com/Snow+causes+power+outages+south+Island+beginning+wash+away/4096844/story.html>

## **Southern Nuclear Aims to Construct Two Nuclear Waste Storage Facilities at 2,430 MW Vogtle Nuclear Power Plant in Georgia**

The company expects to construct a large cask and a small cask. It plans to open the smaller cask in late 2013 and the larger cask by 2017.

<http://chronicle.augusta.com/news/metro/2011-01-11/vogtle-plans-build-new-waste-casks>

## **PG&E's 404 MW Helms Hydro Unit 3 in California Shut by January 11**

According to the California Independent System Operator, the unit reported an unplanned outage by January 11.

<http://www.caiso.com/unitstatus/data/unitstatus201101111515.html>

## **Entergy's 813 MW FitzPatrick Nuclear Unit in New York Reduced to 55 Percent by January 12**

The Nuclear Regulatory Commission reported that on the morning of January 11 the unit was operating at 75 percent.

Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2011/>

## **Update: TVA's 1,118 MW Browns Ferry Nuclear Unit 3 in Alabama at Full Power by January 12**

The Nuclear Regulatory Commission reported that on the morning of January 11 the unit was operating at 88 percent.

Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2011/>

## **Update: Dominion's 917 MW North Anna Nuclear Unit 2 in Virginia Ramped Up to 98 Percent by January 12**

Dominion reduced the unit on January 7 after it found leaks in a water-condensing unit, a company spokesman said on January 10. The Nuclear Regulatory Commission reported that on the morning of January 11 the unit was operating at 84 percent.

<http://www2.timesdispatch.com/news/2011/jan/10/4/condenser-leaks-prompt-power-reduction-north-anna--ar-765008/>

Information also derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2011/>

## ***Petroleum***

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## **Failure Leads to Flaring at Total's 232,000 b/d Port Arthur, Texas Refinery January 12**

A malfunction related to a sulfur recovery unit (SRU) led to flaring at Total's 232,000 b/d Port Arthur, Texas refinery on January 12, but the incident ended within hours, the company said in a filing with state regulators. It was not clear if there was any impact on production.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=149333>

<http://www.nasdaq.com/aspx/stock-market-news-story.aspx?storyid=201101121117dowjonesdjonline000381&title=total-reports-brief-sulfur-recovery-unit-snag-at-texas-refinery>

### **Update: After Crane Collapse, Motiva Restarts 180,000 b/d Vacuum Distillation Unit at 285,000 b/d Port Arthur, Texas Refinery January 12**

A crane collapse led to the shutdown of multiple units – all the vacuum distillation units and a crude unit – and the reduction of a gasoline-making fluid catalytic cracking unit (FCC) last week at Motiva's 285,000 b/d Port Arthur, Texas refinery, but the company restarted a 75,000 b/d vacuum unit by January 10 and a 180,000 vacuum unit on January 12, sources familiar with the facility's operations said. The units were slated to reach planned rates by the end of the week, according to the sources. The company also expected to restart a delayed coking unit, six hydrotreaters, and a catalytic reforming unit. The collapse occurred on January 4. The crane was lifting pipes as part of an expansion project; the project is, by early 2012, expected to boost the refinery's capacity to 600,000 b/d. There were no injuries.

<http://www.reuters.com/article/idUSN1114223620110111>

<http://www.bloomberg.com/news/2011-01-07/crude-heating-oil-gasoline-drop-on-jobs-report-oil-products.html>

<http://www11.tceq.state.tx.us/occeer/index.cfm?fuseaction=main.getDetails&target=149099>

<http://www.reuters.com/article/idUSN0529238720110105>

Reuters, 11:47 January 6, 2011

Reuters, 12:23 January 12, 2011

### **Cold Weather Leads to Snag, Disrupts Production at Holly's 85,000 b/d Tulsa, Oklahoma Refinery January 12**

Cold weather caused a failure that led to the shutdown of steam boilers and operating units at Holly's 85,000 b/d Tulsa, Oklahoma refinery on January 12, the company and Reuters said. The company expected to resume operations after it repaired the boiler.

Reuters, 13:16 January 12, 2011

### **Update: Sunoco Reduces Rates after Malfunction, Compressor Shutdown at 178,000 b/d Marcus Hook, Pennsylvania Refinery January 10**

The incident resulted in flaring, Sunoco said in a filing with the National Response Center. The company expected to restart the wet gas compressor on January 20, according to a spokeswoman.

<http://www.bloomberg.com/news/2011-01-11/sunoco-marcus-hook-plant-minimizes-rates-shuts-unit-update1-.html>

<http://www.bloomberg.com/news/2011-01-12/sunoco-expects-unit-at-marcus-hook-online-by-jan-20-update1-.html>

[http://www.nrc.uscg.mil/reports/rwservlet?standard\\_web+inc\\_seq=964179](http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=964179)

### **Oil-and-Gas Drilling Rises in 2010, but Still Falls Well Short of 2008 Levels: API**

An estimated 10,487 oil wells, natural gas wells, and dry holes were completed in the fourth quarter of 2010, up 37 percent from the same quarter in 2009 but still well below 2008 levels, the American Petroleum Institute (API) said on January 11. In 2010, a total of 37,892 wells were drilled, up 12 percent from 2009 but down almost 33 percent from 2008.

<http://www.api.org/Newsroom/4th-qtr-drilling-up.cfm>

### **After January 11 Shutdown, Statoil Restarts Production at 116,000 b/d Snorre and 41,000 b/d Vigdis Oilfields in Norwegian North Sea by January 12**

A gas leak forced shut the fields on January 11, an earlier news source said. Despite the restart, Statoil said it would not resume "full production" until it repaired a "faulty gas re-injection system." It expected to complete those repairs "on Thursday at the earliest."

<http://af.reuters.com/article/energyOilNews/idAFOSN00493320110112>

Reuters, 11:27 January 11, 2011

## **Natural Gas**

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### **Fire Extinguished at PAA's 26 Bcf Bluewater Natural Gas Storage Facility in Michigan January 12**

A fire led PAA Natural Gas Storage to shut the gas handling facility at its 26 Bcf Bluewater natural gas storage facility in St. Clair County, Michigan on January 12, the company said in a statement. The fire broke out in the gas handling facility at 9 AM EST; it "was quickly extinguished," according to the company. One worker suffered minor burns.

Reuters, 12:14 January 12, 2011

## **Update: Dominion Plans Natural Gas Processing and Fractionation Facility in Natrium, West Virginia**

Dominion plans to process natural gas and separate natural gas liquids (NGLs) at a 56-acre site in Natrium, West Virginia, the company said on January 12. The facility – part of the company’s previously-announced Marcellus 404 Project – would process up to 300 MMcf/d of natural gas and fractionate up to 38,000 b/d of NGLs.

<http://dom.mediaroom.com/index.php?s=43&item=948>

## **Geologists Detect Natural Gas in Shallow Depths across North Dakota**

The North Dakota Geological Survey found significant quantities of shallow natural gas – gas located within 5,000 feet of ground level – in 52 of the state's 53 counties, it said after a recently-completed five-year study.

<http://finance.yahoo.com/news/APNewsBreak-Shallow-natural-apf-2272145262.html?x=0&.v=1>

## **AltaGas Plans 120 MMcf/d Gas Processing Plant, Associated Gas Gathering System in Gordondale Area of Montney Shale, Canada**

The plant is scheduled to enter service by the fourth quarter of 2012.

[http://www.downstreamtoday.com/news/article.aspx?a\\_id=25286](http://www.downstreamtoday.com/news/article.aspx?a_id=25286)

<http://www.imvprojects.com/News/pdf/AltaGas%20Gordondale%202010.pdf>

## **Other News**

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### **Winter Storms Postpone Coal Shipments along U.S. Southeast Railroads January 10**

Citing winter storms across the U.S. Southeast, Norfolk Southern warned customers with deliveries through multiple states – Alabama, Georgia, North Carolina, South Carolina, and Tennessee – to “expect delays of up to 48 hours,” according to a company advisory issued by January 10. The cold weather also caused coal to freeze in rail cars, disrupted unloading efforts at regional power plants, officials at Norfolk Southern and CSX said.

<http://www.platts.com/RSSFeedDetailedNews/RSSFeed/Coal/6737186>

### **After Nearly Two-Year Shutdown, Abengoa Bioenergy Restarting 25 MMGal/Yr. Sorghum-Based Ethanol Plant in Portales, New Mexico January 12**

A local official said the extension of a federal biofuel tax credit was an important factor in the company’s decision to resume production.

<http://biofuelsdigest.com/bdigest/2011/01/12/abengoa-restarts-new-mexico-ethanol-plant-in-tax-credit-job-windfall/>

<http://www.cnjonline.com/news/portales-41559-bioethanol-plant.html>

## **Energy Prices**

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| <b>U.S. Oil and Gas Prices</b>                                       |              |                 |                 |
|--|--------------|-----------------|-----------------|
| January 12, 2011   |              |                 |                 |
|  | <b>Today</b> | <b>Week Ago</b> | <b>Year Ago</b> |
| <b>CRUDE OIL</b><br><b>West Texas Intermediate U.S.</b><br>\$/Barrel | 92.02        | 90.49           | 81.00           |
| <b>NATURAL GAS</b><br><b>Henry Hub</b><br>\$/Million Btu             | 4.55         | 4.61            | 5.77            |

Source: Reuters

## **Energy Notes**

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### **Update: NRC Authorizes U.S. Nuclear Power Plants to Store Radioactive Waste on Location for as Long as 60 Years, or Double Current Standard December 23**

[http://www.pennlive.com/midstate/index.ssf/2011/01/nrc\\_finalizes\\_order\\_extending.html](http://www.pennlive.com/midstate/index.ssf/2011/01/nrc_finalizes_order_extending.html)

**Update: State Senate Passes Measure in Support of Power Holdings of Illinois LLC's Proposed Coal-to-Gas Plant in Illinois January 12 – Measure Would Push In-State Utilities to Sell Facility's Gas**

<http://www.wandtv.com/Global/story.asp?S=13829532>

**Update: For Second Time, Illinois Senate Rejects Bill That Would Have Required State to Purchase Electricity from Tenaska's Proposed 716 MW Coal Gasification Plant in Christian County, Illinois January 12**

<http://www.cleancoalillinois.com/tec.html>

<http://www.platts.com/RSSFeedDetailedNews/RSSFeed/Coal/8398639>

**State Officials, Plant Employees to Hold Exercise Simulating Radiation Leak from Entergy's 563 MW Vermont Yankee Nuclear Power Plant in Vermont January 11**

[http://www.reformer.com/localnews/ci\\_17060926](http://www.reformer.com/localnews/ci_17060926)

**Alon Reports FCC-Associated Emissions at 67,000 b/d Big Spring, Texas Refinery January 11**

<http://www.bloomberg.com/news/2011-01-11/chicago-spot-gasoline-weakens-as-conoco-refinery-adjusts-units.html>

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=149300>

**Cops Arrest Two Males for Attempting to Steal Copper Wire Theft from Gulf Power Substation in Crestview, Florida January 8**

[http://www.panhandleparade.com/index.php/mbb/article/two\\_arrested\\_for\\_stealing\\_copper\\_wire\\_from\\_gulf\\_power\\_site/mbb7727659/](http://www.panhandleparade.com/index.php/mbb/article/two_arrested_for_stealing_copper_wire_from_gulf_power_site/mbb7727659/)

<http://www.crestviewbulletin.com/news/felony-12812-theft-charges.html>

**Tanker Truck Overtums, Spilling Estimated 1,000-2,000 Gallons of Gasoline and Forcing Temporary Shutdown along I-75 in Ohio January 10**

<http://www.daytondailynews.com/news/dayton-news/portion-of-i-75portion-of-i-75-closed-for-hours-after-fuel-spill-1050477.html>

**Propane Explosion Leaves Three Injured at Café in Naples, Florida January 10**

<http://www.marconews.com/news/2011/jan/10/3-injured-gas-truck-explosion-mangrove-cafe-downto/>

**Leak along Discharge Line Leads to Engine Shutdowns at Weir Booster Station in Texas January 11 – Line Fixed, Engines Restarted within Hours**

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=149336>

**Unit Shutdown, Flaring at Dollarhide Gas Plant in Texas January 11**

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=149342>

**Cenovus Energy's CO2 Storage Site Allegedly Leaking CO2 in Saskatchewan, Canada by January 11**

<http://communities.canada.com/vancouversun/blogs/innovation/archive/2011/01/11/reported-veyburn-carbon-capture-project-failure-is-bad-news-for-the-world.aspx>

## Links

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***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](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/ead.aspx>

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