



ENERGY ASSURANCE DAILY

Thursday Evening, January 24, 2008

Electricity

Southeastern Drought Could Force Nuclear Reactors to Shut Down Later This Year

Nuclear reactors at power plants across the Southeast could be forced to curtail electricity production or shut down later this year because of an ongoing drought that has reduced water levels at lakes and rivers that the reactors rely on for cooling. According to the Associated Press, 24 of the 104 nuclear reactors in the country are located in areas experiencing severe levels of drought and all but two of those units rely on submerged intake pipelines on lakes and rivers for use in cooling and condensing steam. Utility officials say such shutdowns probably wouldn't result in blackouts as the companies would purchase replacement power from other energy companies to meet demand.
http://biz.yahoo.com/ap/080123/drought_nuclear_power.html?v=1

SCE's 1,070 MW San Onofre Nuke Unit 2 in California Ramping Up January 24 After Problem with Feedwater Pumps

A spokesman for SCE told Bloomberg News that the unit was ramping up this morning after two feedwater pumps tripped on January 23 forcing a reduction in output. The Nuclear Regulatory Commission reported that the unit was operating at 64 percent of capacity by early this morning. The unit may reach full power by the end of the day.

Bloomberg News, 10:57 January 24, 2008

Reuters, 19:56 January 23, 2008

Information also derived from the NRC Power Reactor Status Reports:

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

TVA's 1,118 MW Browns Ferry Nuke Unit 3 in Alabama at Full Power by January 24

The Nuclear Regulatory Commission reported that on the morning of January 23 the unit was operating at 85 percent. The unit shut December 31 due to a main generator load reject signal.

Information derived from the NRC Power Reactor Status Reports:

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

NRG's 335 MW El Segundo Gas-fired Unit 4 in California Shut January 23

Reuters, 19:14 January 23, 2008

SCE's 285 MW Mountainview Gas-fired Unit 3 in California Shut January 23

Reuters, 19:14 January 23, 2008

Vectren Energy Seeks Approval for 100 MW Gas-fired Peaking Unit in Indiana

On January 22, Vectren Energy Delivery of Indiana, Inc., a wholly owned subsidiary of Vectren Corporation, filed a request with the Indiana Utility Regulatory Commission to build a 100 MW natural-gas-fired peaking unit. If approved, the plant will be located in Gibson County, Indiana with a projected in-service date of 2010.

<http://phx.corporate-ir.net/phoenix.zhtml?c=121125&p=irol-newsArticle&ID=1098846&highlight>

Enbridge Completes 30,000 b/d Expansion of North Dakota Crude Oil Pipeline System

Enbridge Energy Partners, L.P. announced January 24 that the Phase 5 expansion of its North Dakota crude oil pipeline system was recently completed and is now in service. This project brings the system's capacity to 110,000 b/d. The 30,000 b/d expansion project included 10 new or upgraded pump stations, additional tankage and a new 52-mile pipeline segment paralleling the existing gathering system. A further expansion of the North Dakota system, which would add up to 51,000 b/d of capacity, is planned. This "Phase 6 expansion" would bring total system capacity from 110,000 b/d to 161,000 b/d by early 2010.

http://www.enbridgeus.com/Reports/reportif_partners.aspx?pl=0&rptSite=5&rpt=%2fphoenix.zhtml%3fc%3d63707%26p%3dirol-news%26nyo%3d0&tmi=475&tmt=5

North Dakota Legislators Studying Building State-Run Oil Refinery

North Dakota legislators are studying building the country's only state-run oil refinery to steady fuel prices and boost demand for locally produced crude oil. The refinery could also help alleviate occasional shortages of No. 1 diesel, a crucial fuel to farmers in the state.

<http://www.reuters.com/article/oilRpt/idUSN2364316120080123>

Update: Final Unit Begins Restart at Valero's 181,000 b/d McKee Refinery in Texas

The company said that it has begun restarting the propane deasphalter, the last damaged unit to be restarted since the refinery was shut following a fire in February 2007. The refinery, which is currently running at 90 percent of capacity, will return to full rates at the end of the month once the deasphalter reaches full capacity.

Bloomberg News, 11:23 January 24, 2008

Boiler Briefly Shut at Alon USA's 68,000 b/d Big Spring Refinery in Texas January 23

According to a filing with Texas regulators, the CO Boiler at the refinery was shut down due to the loss of the main Boiler Feed Water Pump. The shutdown lasted approximately 1 hour and 25 minutes. An Alon USA spokesman told Reuters that production was not affected.

<http://www2.tceq.state.tx.us/eer/main/index.cfm?fuseaction=getDetails&target=102792>

Bloomberg, 10:46 January 24, 2008

Shell Boss Says Conditions Must Improve Before it Restarts Shut Production in Nigeria

Royal Dutch Shell boss Jeroen van der Veer told Dow Jones Newswires he would meet with Nigeria's President Umaru Yar'Adua on January 25 to discuss security and energy funding. Van der Veer said Shell hoped to restore shut production in the country, but "conditions must improve for us to restart production, and we're not there yet."

Oil Daily, January 24, 2008

Natural Gas

ARC Energy Trust Announces Natural Gas Discovery Containing More Than 1 Tcf in British Columbia

As of January 7, 2008, ARC estimates that its Sunrise and West Dawson blocks contain a total of greater than one trillion cubic feet of Discovered Gas Resource. Testing and drilling of additional wells will be required to confirm the economic viability of this resource and construction of additional infrastructure will be required to bring this gas on production.

<http://www.arcresources.com/NR/rdonlyres/CD6DF622-34F9-4226-9BC5-C751BBAA188F/0/DawsonAcquisitionfinal.pdf>

Scott Pump Trips at 70 MMcf/d Eustace Gas Plant in Texas January 23

According to a filing with Texas regulators, a Scott pump automatically shutdown. The pump was reset and restarted and the equipment was placed back into service as soon as conditions allowed. The shutdown lasted approximately 45 minutes.

<http://www2.tceq.state.tx.us/eer/main/index.cfm?fuseaction=getDetails&target=102767>

Other News

Coshocton Ethanol to Start Production at New Fuel Ethanol Plant in Ohio January 25

Coshocton Ethanol LLC is wrapping up construction activity and expects to begin grinding corn at a new fuel ethanol plant in Coshocton tomorrow, January 25. According to the Renewable Fuels Association, the plant has a capacity of 60 million gallons of ethanol per year.

Reuters, 07:24 January 24, 2008

<http://www.ethanolrfa.org/industry/locations/>

Energy Prices

U.S. Oil and Gas Prices January 24, 2008			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	88.34	90.41	54.07
NATURAL GAS Henry Hub \$/Million Btu	7.84	8.23	7.58

Source: Reuters

Energy Notes

Power Outage Hits Nearly 15,000 PG&E Customers in California January 24

<http://www.mymotherlode.com/News/article/kvml/1201199822>

Nymex Crude Futures Hit Three Month Low January 23 Due to Recession Fears

Oil Daily, January 24, 2008

U.S., U.K., E.U. and Japan to Meet in Davos About High Oil Prices January 25 – IEA

Reuters, 07:12 January 24, 2008

Traffic Resumes on Texas, Louisiana Ship Channels after Dense Fog Halts Movement Overnight – U.S. Coast Guard

Reuters, 9:09 January 24, 2008

TransCanada Agrees to Install Thicker Pipe Near South Dakota Lakes on Proposed Keystone Crude Oil Pipeline

http://biz.yahoo.com/ap/080123/nd_keystone_pipeline.html?.v=1

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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