



ENERGY ASSURANCE DAILY

Tuesday Evening, January 25, 2011

Electricity

PPL Shuts 1,105 MW Susquehanna Nuclear Unit 1 in Pennsylvania January 25

PPL Corp. shut the unit due to a "small" steam leak, the company said. The Nuclear Regulatory Commission reported that on the morning of January 24 the unit was operating at 98 percent.

DJN, 11:34 January 25, 2011

Information also derived from the NRC Power Reactor Status Reports:

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

Update: Duke Energy's 1,100 MW McGuire Nuclear Unit 1 in North Carolina Ramped Up to 20 Percent by January 25

Technical specifications required the company to begin shutting both units at the 2,200 MW McGuire nuclear power plant in North Carolina on January 20, two days after "the 1B and 2B trains of Nuclear Service Water Systems were declared inoperable," the company said in a previous filing with the Nuclear Regulatory Commission (NRC). Specifically, Duke Energy had to shut the units "due to the lack of reasonable assurance" that the trains could operate in a seismic event. Duke said the trains had become inoperable due to "fouling... caused by fish being sucked into the RN train suction strainers." The company ramped up Unit 1 to 20 percent power by January 25 but Unit 2 remained offline, as of latest reports. The NRC reported that on the morning of January 24 both units were not operating.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2011/20110121en.html>

Information also derived from the NRC Power Reactor Status Reports:

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

Update: Southern's 870 MW Hatch Nuclear Unit 2 in Georgia Ramped Up to 90 Percent by January 25

The Nuclear Regulatory Commission reported that on the morning of January 24 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: Entergy's 730 MW Palisades Nuclear Unit in Michigan Ramped up to 6 Percent by January 25

The unit shut automatically on January 22 due to the "loss of generator load," the company said in a filing with the Nuclear Regulatory Commission (NRC). The NRC reported that on the morning of January 24 the unit was not operating.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2011/20110124en.html>

Information also derived from the NRC Power Reactor Status Reports:

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

AEP's Indiana Michigan Power Issues RFP for 100 MW of Wind Energy in Indiana and/or Michigan

Indiana Michigan Power (I&M), an operating unit of American Electric Power (AEP), issued a request for proposals (RFP) for 100 MW of wind energy for use by its customers from a facility to be built in the I&M service territory, the company said on January 24. The wind project is expected to be operational by the end of 2012.

<https://www.indianamichiganpower.com/info/news/viewRelease.aspx?releaseID=975>

FCC Shut at ExxonMobil's 192,500 b/d Chalmette, Louisiana Refinery January 22

A gasoline-producing fluid catalytic cracking unit (FCC) went offline for unscheduled reasons at ExxonMobil's 192,500 b/d Chalmette, Louisiana refinery on January 22, according to a company spokesman. The refinery remained in service, and the company was "meeting all customers needs," the spokesman said on January 25. <http://www.reuters.com/article/idUSN2527833820110125>

Update: After January 6 Fire, Government Workers Investigating Damage at Canadian Natural's 110,000 b/d Horizon Oil Sands Plant in Alberta, Canada – Site Remains Offline, as of Latest Reports

Government workers were using a crane to assess the damage at Canadian Natural Resources Limited's fire-downed 110,000 b/d Horizon oil sands plant in Alberta, Canada on January 24, and a government official said the company would not be authorized to begin its own on-site work for "a number of days yet." A fire injured five workers and forced shut the site on January 6. The project produced about 107,800 b/d of synthetic crude oil, on average, in November 2010, and 83,700 b/d, on average, during December 2010; it was, prior to the January 6 incident, expected to yield between 105,000 b/d and 112,000 b/d in 2011.

<http://www.reuters.com/article/idUSN2416658120110124>

http://www.cnrl.com/upload/media_element/371/02/0110-horizon-upgrader-incident-further-update.pdf

http://www.cnrl.com/upload/media_element/369/02/0106_horizon-oil-sands-production.pdf

PAA Plans 50,000 b/d Expansion along 400,000 b/d Texas-to-Oklahoma Segment of Existing Basin Pipeline System

Plains All American Pipeline, L.P. (PAA) plans to boost capacity along its Basin Pipeline system, the company said on January 25, citing increased crude oil production in west Texas and New Mexico. The existing system delivers crude oil from the Permian Basin of west Texas and southern New Mexico to Cushing, Oklahoma. The expansion project would largely involve modifications to the line's pumping capacity; it would increase the capacity of the pipeline segment from Colorado City, Texas to Cushing, Oklahoma to 450,000 b/d, compared to 400,000 b/d at present. The project is expected to be completed by the first quarter of 2012.

<http://www.b2i.us/profiles/investor/ResLibraryView.asp?BzID=789&ResLibraryID=43130&Category=117>

Iraq to Boost Oil Export Capacity to 5-6 Million b/d at Southern Facilities

Iraq plans to construct new pipelines and single point moorings in a bid to increase oil export capacity to 5-6 million b/d by the end of 2013 at its southern facilities, the nation's deputy oil minister said on January 25. At present, Iraq exports more than 1.5 million b/d, on average, from the southern city of Basra. The nation also plans to "rehabilitate our northern system to its original capacity of 1.6 million b/d," the deputy oil minister said. Separately, Syria's oil minister said on January 25 that Syria and Iraq had struck a final deal to construct two oil pipelines and a gas pipeline through the two nations. The Syrian oil minister also said the countries were working to repair the long-shuttered, 300,000 b/d, Kirkuk, Iraq-to-Banias, Syria pipeline. That line was damaged and shut in March 2003 at the start of the U.S.-led invasion into Iraq.

http://www.tradearabia.com/news/CM_192376.html

<http://www.platts.com/RSSFeedDetailedNews/RSSFeed/Oil/8452438>

Natural Gas

Interior Department Says Oil-and-Gas Industry to Blame for Lack of New Deepwater Drilling Permits

The Interior Department's Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE) has not authorized any new deepwater drilling projects since the Deepwater Horizon disaster in the U.S. Gulf of Mexico, and a BOEMRE spokeswoman said on January 25 that the industry was to blame for the permit standstill. "The main reason that BOEMRE has not yet issued a deepwater drilling permit for activity suspended under the moratorium is because not a single operator has demonstrated in a permit application that it has access to and can deploy containment resources to deal with a deepwater blowout and spill," the spokeswoman said.

<http://thehill.com/blogs/e2-wire/677-e2-wire/139981-interior-hits-back-at-oil-industry-over-deepwater-permits>

EXCO Resources to Boost Natural Gas Production to more than 600 MMcfe/d by End of 2011, Compared to 350 MMcfe/d during Fourth Quarter of 2010

EXCO Resources, Inc. produced 350 MMcfe/d of natural gas in the United States during the fourth quarter of 2010, compared to 206 MMcfe/d in the same quarter of 2009, it said on January 24. The company credited the surge to success in the Haynesville shale drilling area of Texas and Louisiana; the area accounted for 59 percent of total production during the fourth quarter of 2010, compared to 23 percent of the company's total production in the fourth quarter of 2009. EXCO expects its net production to average 520-580 MMcfe/d for the full year 2011; the company plans to exit 2011 with net production in excess of 600 Mmcfe/d.

<http://www.excoresources.com/single-news-release.htm?regid=1518904>

Update: Acadian Gas to Complete First Segment of Proposed 1.4 Bcf/d Natural Gas Pipeline Project in Louisiana in August 2011

Acadian Gas LLC, a jointly-owned subsidiary of Enterprise Products Partners and Duncan Energy Partners, is expected to complete the first segment of its proposed 270-mile natural gas pipeline in Louisiana – the Acadian Haynesville Extension Project – in August 2011, a project affiliate said on January 24. Segment 1 would include 106 miles of 42-inch pipeline, 2.5 miles of 36-inch pipeline, and 2.5 miles of 20-inch pipeline. It would begin in the northwest portion of Red River Parish, run through DeSoto and Natchitoches Parishes, and terminate near Boyce, Louisiana. The full pipeline would extend Acadian Gas' existing 1,000-mile Louisiana pipeline system into the northwest portion of the state, Enterprise and Duncan said previously. It would deliver 1.4 Bcf/d but could, pending shipper interest, be expanded to 2.0 Bcf/d.

<http://www.willbros.com/fw/main/default.asp?DocID=160&reqid=1518875>

<http://phx.corporate-ir.net/phoenix.zhtml?c=80547&p=irol-newsArticle&ID=1347140&highlight=>

Other News

Endicott Biofuels to Break Ground This Month on Proposed 30 MMGal/Yr. Biodiesel Production Facility in Port Arthur, Texas

Endicott Biofuels, LLC (EBF) expects to construct the biorefinery at KMTEX Ltd.'s existing facility in Port Arthur, Texas, it said on January 24. KMTEX would host EBF as well as provide certain construction and operational services. The plant would process waste fats, oils, and greases. Construction is expected to begin in late January 2011.

http://www.endicottbiofuels.com/press-room/press_releases/1-24-11.php

Atlas Oil Company Opens New Ethanol Transloading Terminal in La Feria, Texas by January 24

The terminal has the capacity to offload over 150 cars per month (over four million gallons of ethanol).

http://www.atlasoil.com/articles/index.php?page_id=219

Energy Prices

U.S. Oil and Gas Prices			
January 25, 2011			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	85.50	91.62	74.40
NATURAL GAS Henry Hub \$/Million Btu	4.72	4.38	5.67

Source: Reuters

Chinese Wind Power Capacity Surges to 41,800 MW, Outpacing U.S. Wind Capacity (40,180 MW) for First Time: AWEA

http://www.awea.org/rn_release_01-24-11.cfm

Cold Air to Blame as PPL Electric Utilities' Customers Set New Morning Power Peak Record in Pennsylvania January 24 – Company Delivered 7,432 MW for the Hour Ending at 8 AM, Eclipsing Previous Morning Peak Mark of 7,163 MW Set in February 2008

<http://stage2.mediaroom.com/pplweb/index.php?s=12270&item=23697>

State Regulators, Coast Guard Investigating Small Lubricating Oil Spill from ExxonMobil's 192,500 b/d Chalmette, Louisiana Refinery into Mississippi River by January 24

<http://www.wdsu.com/r/26601990/detail.html>

ExxonMobil Sees No Impact on Production after Flaring at 149,500 b/d Torrance, California Refinery January 25

<http://www.oes.ca.gov/Operational/MALHaz.nsf/f1841a103c102734882563e200760c4a/acf829105c50622e88257823006b43ca?OpenDocument>

<http://online.wsj.com/article/BT-CO-20110125-713586.html>

Unlicensed Contractor Allegedly to Blame for Propane Leak That Forced 500 Homes to Evacuate Briefly in Canaan, Connecticut over Weekend – Contractor Arrested, Accused of Performing Faulty Work along Gas Pipelines

<http://www.rep-am.com/news/local/534881.txt>

Russia Resumes Oil Shipments to Belarus as Nations Reach Price Accord January 25, Transneft Says – Dispute Stopped Deliveries for More Than Three Weeks

<http://www.reuters.com/article/idUSLDE7001TK20110125>

<http://www.forexyard.com/en/news/Russia-starts-pumping-as-Belarus-oil-row-ends-2011-01-25T173956Z-UPDATE-2>

Liquid Accumulation Leads to Operational Issues along Enterprise Products 30-Inch Natural Gas Pipeline in West Texas – Company to Remove Liquids in Bid to Resume Normal Operations January 25-28

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=149452>

Production Reduced for Unspecified Reasons at ExxonMobil's Sable Offshore Energy Project Offshore Nova Scotia January 25 - Facility Can Produce 400-500 MMcf/d of Natural Gas, 20,000 b/d of NGLs

<http://www.reuters.com/article/idUSN2526592320110125>

EPA Sharply Increases its Estimates of Methane Gas Emitted during Natural Gas Production Process – Estimates Imply that Natural Gas Would be Cleaner than Coal, but by Less of a Margin than Previously Believed

<http://www.propublica.org/article/natural-gas-and-coal-pollution-gap-in-doubt>

Update: Batchelder Biodiesel Appears to Have Canceled Plans for Biodiesel Refinery in Nashua, New Hampshire by January 25

<http://www.nashuatelegraph.com/news/906510-196/plans-dry-up-for-city-oil-refinery.html>

U.S. Armed Forces Would Not Directly Benefit if U.S. Military Increases its Use of Alternative Fuels: RAND Corporation

<http://www.rand.org/news/press/2011/01/25.html>

Striking Workers to Blame as Traffic Partly-Blocked at Fos-Lavera Oil Terminal in France January 24

<http://online.wsj.com/article/BT-CO-20110124-710278.html>

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/ead.aspx>

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