



ENERGY ASSURANCE DAILY

Friday Evening, March 30, 2012

Electricity

Severe Thunderstorms Cut Power to Nearly 25,000 AEP Texas Customers in Texas March 29–30

American Electric Power Texas (AEP Texas) reported nearly 25,000 of its customers in Hidalgo County, Texas lost power Thursday night amid severe thunderstorms, large hail, and flooding, according to reports. Peak outages reached 24,797 customers, reports said. As of 3:15 PM EST Friday, AEP Texas was reporting 8,077 customers remained without power in Hidalgo County, according to the utility's website.

<https://www.aeptexas.com/outages/>

<http://www.valleycentral.com/news/story.aspx?id=736310>

<http://www.themonitor.com/articles/county-59783-hidalgo-severe.html>

Update: NRC Approves SCE&G Plan to Build Two 1,117 MW Nuclear Units at the V.C. Summer Nuclear Power Plant in South Carolina

South Carolina Electric & Gas Company (SCE&G) and Santee Cooper received approval today for combined construction and operating licenses (COLs) from the U.S. Nuclear Regulatory Commission (NRC) for two new nuclear units at V. C. Summer Station in Jenkinsville, South Carolina. The project to build two 1,117 MW Westinghouse AP1000 nuclear reactor units has reported cost overruns and schedule delays, and a statement from SCE&G's parent company, SCANA, yesterday reported cost adjustments and a new timeline. Unit 2 is now planned for completion in 2017 (a year later than originally planned), and Unit 3 is now planned for completion in 2018 (a year earlier than originally planned).

<http://www.scana.com/en/investor-relations/news-releases/nrc-approves-cols-for-sceg-santee-cooper-nuclear-units.htm>

<http://www.scana.com/en/investor-relations/news-releases/sceg-reaches-preliminary-agreement-on-nuclear-costs.htm>

<http://www.bloomberg.com/news/2012-03-30/scana-receives-nrc-approval-to-build-south-carolina-reactors-1-.html>

Update: National Park Service Approves Proposed Route for PSE&G and PPL's 500 kV Susquehanna-Roseland Transmission Line in Pennsylvania and New Jersey

The National Park Service (NPS) has approved the route preferred by Public Service Electric and Gas Co. (PSE&G) and PPL Electric Utilities Corp. (PPL) for the Susquehanna-Roseland project to build a 145-mile power line running from Berwick, Pennsylvania to Roseland, New Jersey. The utilities' chosen route has already been approved by both the Pennsylvania Public Utility Commission and the New Jersey Board of Public Utilities. The utilities are planning to have the power line in service in time to meet peak summer electricity demand in 2015.

<http://www.pseg.com/info/media/newsreleases/2012/2012-03-29.jsp>

Update: STP Reduces 1,251 MW South Texas Nuclear Unit 1 in Texas to 48 Percent by March 30 to Address Control Rod Issue

STP Nuclear Operating Co. reported Unit 1 was reduced Thursday after an issue with a single control rod surfaced during monthly control rod surveillance, according to a spokesman. Unit 2 remains shut for repairs to a damaged rotor and stator coils, and it is expected to return to service in mid-April.

<http://af.reuters.com/article/energyOilNews/idAFL2E8ET7W620120329>

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2012/>

Luminant Reports ESP Hopper Leak at Its 591 MW Sandow Coal-Fired Unit 4 in Texas March 29

Luminant reported Thursday an A-10 electrostatic precipitator (ESP) hopper developed a leak, releasing ash to the ground, according to a filing with the Texas Commission on Environmental Quality. Operators increased the amount of ash unloading from the A-3 hopper to reduce the level of ash in the hopper and were working to repair the leak at the time of the filing.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=166575>

Update: Entergy's 510 MW Vermont Yankee Nuclear Unit in Vermont Ramped Up to 67 Percent by March 30

On the morning of March 29 the unit was operating at 33 percent.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2012/>

Petroleum

Update: ConocoPhillips Has Multiple Bids for Its Shuttered Trainer, Pennsylvania Refinery – Sources

ConocoPhillips has at least five bids for its 185,000 b/d Trainer, Pennsylvania refinery, sources familiar with the sales process said on Thursday. More than one potential buyer has placed a bid to operate the plant as a refinery, the sources said. The other potential buyers are bidding to convert the refinery into a gasoline and diesel storage terminal, to serve markets in the U.S. Northeast. A ConocoPhillips spokesman said he was unable to comment, adding only that the company has had recent interest from potential buyers. The company said on Wednesday it had extended the sale deadline for its Trainer refinery to the end of May because of recent interest from potential buyers. ConocoPhillips shut the refinery late last September and announced it was for sale, with an original sales deadline of March 31.

Reuters, 15:00 March 29, 2012

Power Failure Affects SRU, Leads to Flaring at Alon's 67,000 b/d Big Spring, Texas Refinery March 29

Alon USA reported a power failure affected sulfur recover unit (SRU) No. 2 and caused acid gas feed to go to flare Thursday, according to a filing with state regulators. Operators stabilized the unit, minimizing emissions as much as possible during the upset.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=166584>

Imperial Oil Reports Flaring at Its 187,000 b/d Strathcona, Alberta Refinery March 29

Imperial Oil Ltd. reported flaring at its Strathcona refinery in Alberta Thursday, according to a community information line message posted late that day. Operators said that intermittent flaring would continue over the next day and warned of increased steam venting from the refinery.

<http://www.reuters.com/article/2012/03/30/refinery-operations-imperial-strathcona-idUSWNAB704520120330>

Update: State Supreme Court Drops Lease Dispute over Point Thompson O&G Field on Alaska North Slope; Details of a Settlement or Development Plans Not Forthcoming

The Alaska Supreme Court on Thursday granted a request by the state and energy companies to drop its review of a lease dispute at Point Thomson, a large oil and gas field on Alaska's North Slope. ExxonMobil, which operates the Point Thompson Unit, was joined by BP, ConocoPhillips, Chevron, and the state in asking the court to drop the case. The parties reported last week that they expected to reach an agreement over the dispute, but reports Thursday didn't indicate any settlement either in the request for dismissal or in the court's order.

<http://www.youralaskalink.com/news/Pt-Thompson-Case--145007945.html>

Natural Gas

Williams Partners Reports Explosion Shuts Its 365 MMcf/d Lathrop Compressor Station in Pennsylvania March 29

Williams Partners L.P. yesterday reported its Lathrop compressor station near Springville in Susquehanna County, Pennsylvania experienced a flash fire Thursday morning, according to a news release. A preliminary assessment showed that the structure sustained the brunt of the damage, while equipment and flooring inside the structure remain in place. The cause of the fire is under investigation. The Lathrop station pressurizes and dehydrates natural gas from Marcellus Shale wells in the county for transport through interstate pipelines, including the Tennessee Gas and Transco pipelines. A spokesman for Cabot Oil and Gas Corp., which operates gas wells served by the Lathrop station, said the company was working at its well sites Thursday to reroute gas to other compressor stations in the area.

<http://www.williamslp.com/profiles/investor/ResLibraryView.asp?ResLibraryID=52835&BzID=1296&g=345&Nav=0&LangID=1&s=0>

<http://phx.corporate-ir.net/phoenix.zhtml?c=116492&p=irol-newsArticle&ID=1678334>

<http://www.firehouse.com/news/10685722/pa-compressor-station-blast-blows-hole-through-roof>

Encana Seeks Partner to Develop Several Oil and Liquids-Rich Gas Plays in the United States and Canada

Encana Corp. is launching a formal search for a single partner to help develop a number of oil and liquids-rich natural gas plays in the United States and Canada, as it shifts its focus away from dry gas operations amid sinking prices, an executive told reporters on Thursday. The company is developing a package of assets that could include positions in the Collingwood shale, the Tuscaloosa Marine shale, the Mississippi Lime shale, and the Eaglebine shale, all in the early stages of exploration and development.

Reuters, 16:44 March 30, 2012

Other News

Nothing to report

International News

PdVSA in Discussions with Colombia about a Proposed 600,000 b/d Venezuela-Colombia Crude Oil Pipeline

Petroleos de Venezuela (PdVSA) reported in a statement Thursday that it was having discussions with Colombia about a proposed 600,000 b/d oil pipeline running from the Orinoco heavy oil belt in southeastern Venezuela to Colombia's Pacific coast, to allow for quicker transport of crude oil to Asian markets. Officials estimated the project would require an \$8 billion investment, and the statement indicates Chinese officials may be interested in supporting the project. PdVSA exported an average of 639,000 b/d of oil to Asia last year, according to a company report, with 490,000 b/d going to China. The Venezuelan government wants to increase exports to Asia to 1 million b/d by 2015, reports said. The two countries plan to lay out a conceptual engineering plan for the proposed pipeline by December.

<http://www.foxbusiness.com/news/2012/03/29/proposed-venezuela-colombia-pipeline-needs-8-billion-investment-pdvsa/>

International Energy Agency Says It's Ready to Respond if Oil Market Condition Warrant

Reuters, 13:09 March 29, 2012

Energy Prices

| U.S. Oil and Gas Prices | | | |
|--|--------|----------|----------|
| March 30, 2012 | | | |
| | Today | Week Ago | Year Ago |
| CRUDE OIL West Texas Intermediate U.S. \$/Barrel | 103.27 | 106.80 | 104.15 |
| NATURAL GAS Henry Hub \$/Million Btu | 2.02 | 2.19 | 4.27 |

Source: Reuters

Links

This Week in Petroleum from the U.S. Energy Information Administration (EIA)

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

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM and 1:00 PM Eastern Time every Wednesday.

Natural Gas Weekly Update from EIA

<http://www.eia.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM Eastern Time every Thursday.

ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/ead.aspx>

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