



ENERGY ASSURANCE DAILY

Friday Evening, April 06, 2012

Electricity

Update: TVA Increases Cost Estimates, Lengthens Schedule for 1,180 MW Watts Bar Nuclear Unit 2 Project in Tennessee

The Tennessee Valley Authority (TVA) on April 5 released updated cost and schedule estimates for its project to construct Watts Bar nuclear Unit 2, announcing it would require additional funding of \$1.5–\$2 billion, putting the total estimated cost of completion in the range of \$4–\$4.5 billion. The initial detailed scoping, estimating, and planning study approved by the board in 2007 projected a cost of \$2.49 billion. TVA now estimates it will take until September–December 2015 to complete the project. Previous estimates had scheduled completion by the end of 2012. TVA blamed the increases on poor previous estimates and insufficient progress reviews, according to a release.

http://www.tva.com/news/releases/aprjun12/watts_bar.html

<http://www.theleafchronicle.com/usatoday/article/38976925?odyssey=mod|newswell|text|FRONTPAGE|s>

Update: STP's 1,251 MW South Texas Nuclear Unit 2 Enters Final Repair Stage; Unit Still on Track to Restart by Mid-April

South Texas Nuclear Operating Company reported workers at the South Texas Project (STP) nuclear station installed a refurbished rotor in Unit 2 on Wednesday, preparing the unit for final repairs before restart procedures can begin, a plant spokesman said Thursday. The unit has been shut since November 29, when the main generator locked out due to a ground fault that resulted in damage to a rotor and stator coils, according to previous reports. NRG Energy expects to return Unit 2 to service in mid-April, well before summer demand builds, executives told investors last month. The final restoration phase will include inspections and post-maintenance testing before the unit is restarted, the spokesman said.

<http://www.reuters.com/article/2012/04/05/utilities-operations-stp-southtexasprojectUSL2E8F57HW20120405?feedType=RSS&feedName=marketsNews&rpc=43>

Update: Massachusetts Again Challenges Relicensing of Entergy's 653 MW Pilgrim Nuclear Power Plant

Massachusetts Attorney General Martha Coakley on Thursday filed in the 1st U.S. Circuit Court of Appeals an appeal that challenges the U.S. Nuclear Regulatory Commission's (NRC) March 8 decision to continue the relicensing process for Entergy Corp.'s Pilgrim nuclear power plant. Entergy applied to renew the original 40-year operating license, which expires in June 2012, for the plant for an additional 20 years. Massachusetts wants to guarantee the NRC considers the environmental and public safety implications of the Fukushima Dai'ichi nuclear disaster in Japan. The NRC's general position has been that post-Fukushima rules will apply to all plants and shouldn't be considered in relicensing, an NRC spokeswoman said yesterday.

<http://finance.yahoo.com/news/mass-ag-slow-pilgrim-plant-184603415.html>

<http://www.bloomberg.com/news/2012-04-05/nrc-pilgrim-plant-hearings-appealed-by-massachusetts-ag-1-.html?cmpid=yahoo>

Duke Energy Reduces 846 MW Oconee Nuclear Unit 2 in South Carolina to 20 Percent by April 6 to Repair Cooling Water System Leak

Duke Energy reported on April 5 it was necessary to bring the unit down to Mode 3 to implement repairs due to a worsening component cooling water system leak on the unit, according to a filing with the U.S. Nuclear Regulatory Commission. On the morning of April 5 the unit was operating at full power.

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

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2012/20120406en.html>

Dominion's 511 MW Kewaunee Nuclear Unit in Wisconsin Shut by April 6

On the morning of April 5 the unit was operating at full power.

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

Update: Luminant's 1,150 MW Comanche Peak Nuclear Unit 2 in Texas Ramped Up to 52 Percent by April 6

On the morning of April 5 the unit was operating at 2 percent.

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

Petroleum

HollyFrontier Shuts FCCU for Unplanned Repairs at Its 105,000 b/d Artesia, New Mexico Refinery April 5; Crude Throughput Reduced by 800,000 bbls over 10-15 Days

HollyFrontier Corp.'s Navajo Refining Co. on April 5 reported plans to make an unscheduled shutdown of the fluid catalytic cracking unit (FCCU) at its Navajo refinery for mechanical repairs. Operators expect the unit to be shut for 10–15 days, and the shutdown is expected to reduce the refinery's crude throughput by approximately 800,000 barrels over that period.

<http://investor.shareholder.com/fto/releasedetail.cfm?ReleaseID=662221>

USW Members at Tesoro's Mandan, North Dakota Refinery Approve Strike Authorization April 4; Allows Members to Stop Work if Necessary during Contract Negotiations

<http://www.businessweek.com/ap/2012-04/D9TURMBO0.htm>

Denbury Resources to Revive Production at Depleted Oil Field in Montana by Pumping CO₂ Underground to Free Up Reserves

Denbury Resources reported Wednesday its plans to revive production at a 45-year-old southeastern Montana oil field by pumping carbon dioxide (CO₂) deep underground to free up an estimated 30 million barrels of trapped crude. The Bell Creek CO₂ injection project is slated to begin operations by early 2013, a Denbury Resources executive said. The CO₂ will come via a 232-mile gas pipeline, currently under construction, from ConocoPhillips's natural gas plant near Lost Cabin, Wyoming.

<http://finance.yahoo.com/news/oil-recovery-southeast-mont-slated-144933468.html>

Natural Gas

Oregon LNG to Include Export Capabilities at Proposed LNG Import Terminal – FERC

Oregon LNG has informally notified the U.S. Federal Energy Regulatory Commission (FERC) and other federal agencies of its intention to modify plans for a proposed liquefied natural gas (LNG) import terminal to include liquefaction and export capabilities, a FERC spokeswoman confirmed late last month. Oregon LNG has proposed a project to build an LNG import terminal near Astoria, Oregon, to include a takeaway pipeline, but the project has experienced long delays. The company is now considering an export terminal and has entered the pre-filing process with FERC, according to the spokeswoman.

http://www.downstreamtoday.com/news/article.aspx?a_id=35936

Update: Imperial Oil, ConocoPhillips Cut Funding, Downsize Operations for Mackenzie Natural Gas Pipeline Project in Northwest Canada Due to Poor Economics

Imperial Oil Ltd., ConocoPhillips, and their partners are cutting funding and downsizing operations for a proposed pipeline to bring natural gas from northern Canada to U.S. markets, according to reports Thursday. The 1,196-km Mackenzie gas pipeline would carry 1.2 Bcf/d from three gas fields in the Mackenzie Delta in Canada's Northwest Territories with a TransCanada Corp. system in Alberta. The project has been long-delayed, and the partners said Thursday that increased pipeline costs and low natural gas prices have reduced the economic viability of the project. Despite these setbacks, Imperial Oil stressed the proposal was not dead and the project's partners were still in talks with the government trying to move it forward.

<http://www.reuters.com/article/2012/04/05/imperialoil-mackenzie-idUSL2E8F54HZ20120405?feedType=RSS&feedName=marketsNews&rpc=43>

<http://www.bloomberg.com/news/2012-04-05/conoco-partners-suspend-16-billion-gas-pipeline-project.html?cmpid=yahoo>

Other News

Officials Report Numerous Copper Thefts from Oil Field Industrial Areas in Carroll County, West Virginia

<http://www.wtov9.com/news/news/copper-thefts-rise-carroll-county-arrests-made/nMHrb/>

Energy Department Announces up to \$15 Million to Research Biomass-Based Supplements for Traditional Fuels

<http://energy.gov/articles/energy-department-announces-15-million-research-biomass-based-supplements-traditional-fuels>

International News

Update: Total Confirms No Underwater Leak at Elgin Platform in North Sea April 6; Gas Leak's Flow Decreases

Total S.A. said in a statement Friday that a remote-controlled submarine confirmed no natural gas is leaking underwater at its Elgin rig in the North Sea, and that observations showed the flow of the gas leak on the rig's deck is decreasing. A crew of Total engineers and industry specialists went to the rig on Thursday to evaluate and reported that infrastructure on the well-head rig would allow an operation to kill the well through heavy-mud pumping. In the next few days, the team will return to the rig to make additional measurements and perform additional operations to ensure the platform is safe for people who will be plugging the well, according to a Total spokesman.

DJN, 11:42 April 6, 2012

Energy Prices

U.S. Oil and Gas Prices			
April 6, 2012			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	103.31	103.27	107.89
NATURAL GAS Henry Hub \$/Million Btu	1.98	2.02	4.22

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.

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

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