



ENERGY ASSURANCE DAILY

Wednesday Evening, April 07, 2010

Electricity

Transformer Failure Cuts Power to More than 27,000 Dominion Virginia Power Customers in Virginia April 6

The company reported 27,786 customers without power, as of yesterday afternoon. It had restored service to nearly all affected customers, as of latest reports.

<http://www.dom.com/storm-center/dominion-electric-outage-summary.jsp>

<http://voices.washingtonpost.com/local-breaking-news/dc/2800-without-power-in-glover-c.html>

Luminant to Shut 793 MW Monticello Coal-Fired Unit 3 in Texas April 7

The company expected to shut the unit "to repair an electrohydraulic fluid leak," it said in a filing with state regulators. The filing did not say when the unit might return to service.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=138037>

Luminant Shuts 750 MW Comanche Coal-Fired Unit 3 in Texas by April 7

The company shut the unit to fix boiler tube leaks and install noise-reduction equipment, a company spokesman said.

http://www.denverpost.com/business/ci_14833070?source=rss#ixzz0kQyeR8vE

AES's 336 MW Alamos Gas-Fired Unit 4 in California Shut by April 6

According to the California Independent System Operator, the unit reported an unplanned outage by April 6.

<http://www.caiso.com/unitstatus/data/unitstatus201004061515.html>

Update: PSE&G's 1,092 MW Salem Nuclear Unit 2 in New Jersey Ramped Up to 98 Percent by April 7

Operators slowed the unit after "river grassing" led to clogging in certain screens, a company spokesman said previously. The Nuclear Regulatory Commission reported that on the morning of April 6 the unit was operating at 76 percent.

Bloomberg News, 07:06 April 7, 2010

Information also derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2010/>

Update: AEP to Restart 558 MW Welsh Coal-fired Unit 1 in Texas April 7-11

The company had expected to shut the unit by April 7 to repair a tube leak, it said in a previous filing with state regulators.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=137953>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=137956>

Update: FirstEnergy Begins Nozzle Modifications at 925 MW Davis-Besse Nuclear Power Plant in Ohio

FirstEnergy began modifications to 16 of 69 control rod drive mechanism nozzles late last week at its 925 MW Davis-Besse nuclear power plant in Ohio, it said in a release. The company found cracks on at least 12 nozzles, a spokesman said previously. Operators shut the unit for planned work in late-February. It was not clear how the nozzle repairs might impact any restart plans.

<http://toledoblade.com/article/20100323/NEWS16/100329913/-1/NEWS24>

<http://www.firstenergycorp.com/NewsReleases/2010-04-06%20Davis-Besse%20Begins%20Nozzle%20Modifications.pdf>

Update: Control Room Error Likely to Blame for Power Outage That Affected 291,000 SDG&E Customers in California on April 1: CAISO

The California Independent System Operator Corporation (CAISO) improperly allowed a San Diego area power plant to shut down, which led to a violation of an import limitation that requires local generation to account for at least 25 percent of the city's load, according to a preliminary CAISO investigation. CAISO then inappropriately called for load shedding to cut demand, because of that operating requirement. The outage-in-question lasted just 45 minutes; the affected power plant was the 600 MW Otay Mesa Power Center, according to a news source.

<http://www.caiso.com/2770/2770c77b6c520.pdf>

http://www.mercurynews.com/breaking-news/ci_14833706

China-Based Cyber Attacker Targets LCRA Computer System in Texas

The would-be attacker tried 4,800 times, but failed to access the Lower Colorado River Authority's (LCRA) computer system, the Electric Reliability Council of Texas (ERCOT) said in a confidential e-mail obtained by a local news network.

<http://www.click2houston.com/news/23046216/detail.html>

DOE's NETL Seeks Bids to Lead National Electric Sector Cyber Security Organization

The organization "is envisioned as a partnership between the federal government and the electric-sector stakeholders to help protect the electric grid and enhance integration of smart grid technologies that are adequately protected against cyber attacks," according to the Department of Energy's (DOE) National Energy Technology Laboratory (NETL).

<http://www07.grants.gov/search/search.do?&mode=VIEW&oppId=53381>

OG&E Brings Online 345-kV, 121-Mile Windspeed Transmission Line in Oklahoma

The line connects Oklahoma Gas & Electric's (OG&E) newly-installed substation near Woodward, Oklahoma with the company's existing transmission grid.

<http://phx.corporate-ir.net/phoenix.zhtml?c=106374&p=irol-newsArticle&t=NewsRelease&id=1410035>

Petroleum

Update: Hijacked South Korean Oil Tanker Arrives Offshore Somalia April 7

Somali pirates steered the South Korean-owned, 300,000 metric ton Samho Dream oil tanker toward the Somali coast, about three days after they hijacked the vessel some 600 nautical miles offshore, the European Union naval force said in a release. A South Korean navy destroyer was shadowing the hijacked tanker, as of April 6, according to a national official. The tanker was en route from Iraq to Louisiana at the time of the incident, Dow Jones Newswires said. The tanker may be carrying over 2 million barrels of crude oil according to Reuters.

<http://www.eunavfor.eu/2010/04/hijacked-tanker-samho-dream-arrives-off-the-coast-of-somalia/>

DJN, 12:14 April 7, 2010

Reuters, 21:48 April 5, 2010

Natural Gas

Update: Denali Files Open Season Plan for Proposed 4.5 Bcf/d, 48-Inch Alaska-to-Alberta Natural Gas Pipeline April 7

Denali - The Alaska Gas Pipeline aims to launch an open season on July 6, 2010 for its proposed 4.5 Bcf/d Alaska-to-Alberta natural gas pipeline and associated infrastructure, the company said in an April 7 filing with the Federal Energy Regulatory Commission (FERC). Denali expects to construct a gas treatment plant (GTP) on the Alaska North Slope, transmission lines from the Prudhoe Bay and Point Thomson fields to the GTP, and a pipeline from Alaska to Blueberry Hill, Alberta. It plans to open the project in 2020. The main, 48-inch pipeline would stretch 1,790 miles - 730 in Alaska and 1,020 in Canada - and include 15 compressor stations.

<http://www.denalipipeline.com/images/pdf/openseasonfiling/DenaliPressReleaseOpenSeasonFiling.pdf>

Update: Citing Favorable Open Season, Buckeye Considering U.S. Midwest Destination along Previously-Proposed Pennsylvania-to-Ontario NGLs Pipeline

Buckeye Partners, L.P. held a non-binding open season in March 2010. It had expected the line to deliver natural gas liquids (NGLs) from the Marcellus Shale Basin in Pennsylvania to Sarnia, Ontario, but – due to favorable open season responses – might add a destination near Chicago, Illinois. The company expects to hold a binding open season in mid-2010.

<http://www.buckeye.com/LinkClick.aspx?link=News+Releases%2f2010%2fBPL+Union+Pipeline+Midwest+Destination+4-6-10.pdf&tabid=83&mid=985>

U.S. Known Natural Gas Reserves Likely at Highest Level in More than 35 Years: AGA

The United States' known natural gas reserves likely rose for the eleventh straight year in 2009, and are now at a 35-plus-year high near 250 trillion cubic feet, according to the American Gas Association's (AGA) report, "Preliminary Findings Concerning 2009 Natural Gas Reserves."

<http://www.aga.org/Newsroom/news+releases/2010/USNaturalGasReservesIncrease.htm>

New Technologies Have Likely Doubled U.S. Natural Gas Reserves: Energy Secretary Chu

U.S. natural gas reserves have jumped by at least 30 percent, and have probably doubled, due to new drilling methods, Energy Secretary Steven Chu said on April 6.

<http://www.businessweek.com/news/2010-04-06/u-s-natural-gas-reserves-may-have-doubled-secretary-chu-says.html>

EIA Lowers 2010 Natural Gas Price Forecast, Citing Increased Production Outlook

The Energy Information Administration (EIA) expects natural gas prices to average \$4.44 per MMBtu in 2010 - just \$0.49 per MMBtu higher than in 2009 - compared to its previous forecast of \$5.17, according to its Short Term Energy and Summer Fuels Outlook. The EIA made the change largely due to a 2 Bcf/d upward revision in its domestic production forecast.

<http://www.eia.doe.gov/emeu/steo/pub/contents.html>

Other News

Update: Four Workers Still Missing after Deadly Monday Explosion at Massey Energy Coal Mine in West Virginia

Four workers remained missing at Massey Energy Company's Upper Big Branch coal mine in West Virginia on April 7, the company said, two days after an explosion killed at least 25. Rescuers were ordered to exit the mine due to "unfavorable atmospheric conditions," but were expected to resume the recovery effort as soon as conditions improved. The explosion caused more deaths than any coal-mining accident since 1984, the U.S. Mine Rescue Association said. The affected mine had, over the past year, received more than \$900,000 in fines from the U.S. Mine Safety and Health Administration, according to Bloomberg News. The company, however, had disputed more than \$250,000 of those citations.

<http://phx.corporate-ir.net/phoenix.zhtml?c=102864&p=irol-newsArticle&ID=1410536&highlight=>

Kentucky Coal Mines Slow to Adopt Recently-Mandated Safety Measures

A 2006 federal law required mines to adopt certain safety measures - installing airtight refuge chambers for accident survivors, for one - but only 10 of 127 mines in Central and Eastern Kentucky had fully-incorporated the required upgrades, as of a March 2010 review by the Mine Safety and Health Administration. After the deadly April 5 explosion at Massey Energy's Upper Big Branch mine in West Virginia, many Kentucky coal companies began re-assessing their activities, the president of the Kentucky Coal Association said.

<http://www.kentucky.com/2010/04/07/1213231/kentucky-mine-operators-re-evaluate.html>

Citing Poor Margins, Minnesota Energy Shuts 19 MMGal/Yr. Corn-Based Ethanol Plant in Buffalo Lake, Minnesota

Minnesota Energy will reopen the plant if economic conditions improve, according to a company official.

<http://www.fromfieldtofuel.com/pages/custom.php?id=13281>

<http://www.morrissuntribune.com/event/article/id/21465/group/homepage/>

Update: Bank Closure Kills Great Western Ethanol's Plans for 112 MMGal/Yr. Ethanol Plant in Colorado

Great Western Ethanol was unable to fund its operations after one its lenders, New Frontier Bank, closed in 2009. The ethanol company's former CEO referred to the proposed plant as essentially "a dead project."
<http://www.greeleytribune.com/article/20100405/NEWS/100409820/1002&parentprofile=1001>

Mitsubishi Plans Wind Turbine Plant in Arkansas

The company expects to break ground in the fall of 2010.
http://www.nytimes.com/aponline/2010/04/06/business/AP-AR-Wind-Energy-Fort-Smith.html?_r=2

Energy Prices

U.S. Oil and Gas Prices			
April 7, 2010			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	86.30	83.09	49.83
NATURAL GAS Henry Hub \$/Million Btu	4.16	3.79	3.74

Source: Reuters

Energy Notes

Storm Knocks Out Power to More than 20,000 PGE Customers in Oregon April 5

<http://www.kgw.com/home/Tree-Damage-90051912.html>

Update: County Commissioners Okay Zoning Change in Support of South Heart Coal's Proposed Coal Mine and Associated Power Plant in North Dakota April 6

<http://www.thedickinsonpress.com/event/article/id/34319/group/homepage/>

Lightning Strikes Oil Tank, Triggers Explosion at Key Star Energy Plant in West Virginia April 5

<http://www.wdvt.com/index.php/home/local-news/1473-tank-explosion-in-upshur-county>

Chevron Pipeline Spills about 18,000 Gallons of Oil in Delta National Wildlife Refuge in Louisiana April 6

<http://www.abc26.com/news/local/wgno-news-wildlife-refuge-oil-spill-story.0.3214102.story>

Deadly Explosion at Tesoro's Anacortes, Washington Refinery on April 2 a Part of Broader Problem Regarding Refinery Safety: USW Local Union Presidents

Bloomberg News, 16:55 April 6, 2010

Valero Sees No Production Impact after Sulfur Plant Malfunction at 195,000 b/d Paulsboro, New Jersey Refinery April 6

Reuters, 09:40 April 7, 2010

Ultramar Receives Quebec Decrees for Planned Pipeline from Jean-Gaulin Refinery to Montreal East Terminal in Canada

<http://www.ultramar.ca/NR/rdonlyres/23FD693E-F4E3-406F-8094-C28D97D5113F/0/PressReleasePipelineSaintLaurentprojectApr62010.pdf>

Iranian Navy Thwarts Somali Pirates Bid to Capture Iranian-Owned Oil Tanker in Gulf of Aden by April 7

http://www.tehrantimes.com/Index_view.asp?c_code=216688

Anadarko Petroleum Expects Well to Produce 15,000 b/d at 300 Million Barrel Wahoo Oilfield Offshore Brazil

<http://www.anadarko.com/Investor/Pages/NewsReleases/NewsReleases.aspx?release-id=1409751>

Brazil's Petrobras Exports a Record 733,000 b/d of Oil in March 2010

<http://www.brazzilmag.com/component/content/article/84-april-2010/12058-petrobras-exports-close-to-23-million-barrels-of-oil-in-march-a-record.html>

Facing Possible Sanctions, LUKOIL to Halt Gasoline Deliveries to Iran

Reuters, 05:23 April 7, 2010

Libya Seeks to Produce 3 Million b/d of Oil by 2013

http://www.rigzone.com/news/article.asp?a_id=90594

Compression Failure at Midkiff Gas Plant in Texas April 6-7

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=138030>

Transmitter Malfunction Forces Amine Plant Offline at Waha Gas Plant in Texas April 6

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=138034>

Pacific Northern Gas' Plans to Deliver Natural Gas to Kitimat, British Columbia in Jeopardy: Teekay Corporation

http://www.bclocalnews.com/bc_north/terracestandard/business/89945117.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

Energy Assurance Daily provides a summary of public information concerning current energy issues. Published Monday through Friday to inform stakeholders of developments affecting energy systems, flows, and markets, it provides highlights of energy issues rather than a comprehensive coverage. *Energy Assurance Daily* is updated online Monday through Friday after 5:00 p.m. EST. For more information, visit the Infrastructure Security and Energy Restoration (ISER) website at:

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

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