ENERGY ASSURANCE DAILY

Friday Evening, April 15, 2011

Electricity

Strong Storms Knock out Power to nearly 64,000 Customers in Arkansas, Oklahoma, and Tennessee April 15

Severe storms left at least seven people dead in Oklahoma and Arkansas and knocked out electricity to 43,093 Entergy customers in Arkansas, 12,206 Nashville Electric Service customers in Tennessee, 6,909 Public Service Company of Oklahoma (PSO) customers in Oklahoma, and 1,758 Oklahoma Gas & Electric customers in Oklahoma (OG&E), news and company sources reported. Some 19,640 Entergy customers and all of the other utilities' customers remained without power, as of this afternoon.

http://viewoutage.entergy.com/ar.aspx

http://www.nespower.com/OutageMap/default.aspx

http://public.oge.com/systemwatch/SystemWatch.swf?startMapID=1

https://www.psoklahoma.com/outages/Default.aspx

http://www.ksla.com/Global/story.asp?S=14451880

http://edition.cnn.com/2011/US/04/15/severe.weather/

http://www.tennessean.com/article/20110415/NEWS01/110415001/-1/RSS0104/Severe-storms-could-develop-

Middle-TN-Friday-afternoon

http://www.kake.com/news/headlines/More_Than_10000_Without_Power_After_Oklahoma_Storms_119931374.html

Update: TVA's 1,118 MW Browns Ferry Nuclear Unit 2 in Alabama Ramped Up to 92 Percent by April 15

The Nuclear Regulatory Commission reported that on the morning of April 14 the unit was operating at 65 percent. Information derived from the NRC Power Reactor Status Reports:

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

SCE&G's 966 MW Summer Nuclear Unit in South Carolina Reduced to 40 Percent by April 15

The Nuclear Regulatory Commission reported that on the morning of April 14 the unit was operating at 80 percent. Information derived from the NRC Power Reactor Status Reports:

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

Ace Cogeneration's 118 MW Ace Cogeneration Coal-Fired Unit in California Shut by April 14

According to the California Independent System Operator, the unit reported an unplanned outage by April 14. http://www.caiso.com/unitstatus/data/unitstatus201104141515.html

Pepco Says Infrastructure Improvements Will Reduce Power Outages, Improve Service for Customers throughout Service Territory in Washington, D.C. and Maryland April 14

Pepco released yesterday its six-month reliability progress report, saying it had made significant infrastructure improvements that will reduce power outages and improve service for its customers. The company developed a reliability enhancement plan last August, focusing on six key initiatives. To read more about Pepco's progress, please click on the link below.

http://www.pepco.com/welcome/news/releases/archives/2011/article.aspx?cid=1696

TVA to Retire about 1,000 MW of Coal-Fired Power Capacity in Tennessee and Alabama

The Tennessee Valley Authority (TVA) plans to retire 18 older coal-fired generation units – two units at the John Sevier Fossil Plant in East Tennessee, six units at the Widows Creek Fossil Plant in northern Alabama, and all 10 units at the Johnsonville Fossil Plant in Middle Tennessee – by the end of 2017, the company said on April 14. The affected units represent about 1,000 MW of capacity. TVA announced last year that it planned to idle units at John Sevier and Widows Creek, as well as one of 10 units at the Shawnee Fossil plant near Paducah, Kentucky. Idled units are placed in stand-by status, while retired units are permanently removed from service under their current operating permits. Including last year's and yesterday's announcements, TVA expects to idle or retire about 2,700 MW of its 17,000 MW of coal-fired capacity by the end of 2017. The company aims to replace the capacity with renewable energy sources, gas and nuclear-based electricity, and energy efficiency measures. Also on April 14, TVA said it planned to enter agreements with the Environmental Protection Agency (EPA) and multiple states to settle ongoing legal and regulatory issues related to Clean Air Act compliance. The company expects to invest an additional \$3 billion to \$5 billion over the next 10 years on new emission-control equipment and upgrades of existing equipment at its coal plants. It also plans to provide \$350 million to fund multiple environmental improvement projects over the next five years, and pay a \$10 million civil penalty. http://www.tva.com/news/releases/aprjun11/board meeting 0414.htm

Petroleum

Unit Snag Triggers Flaring at Marathon's 206,000 b/d Robinson, Illinois Refinery April 14 It was not clear if the incident had any impact on production.

Reuters, 09:52 April 15, 2011

Breakdown Causes Flaring at ExxonMobil's 149,500 b/d Torrance, California Refinery April 15-16

The incident was "a temporary mechanical issue" and did not impact production, a company spokeswoman said. http://af.reuters.com/article/energyOilNews/idAFWEN114120110415
Reuters, 09:54 April 15, 2011

Leak Leads Wolverine Pipeline to Shut 30,000 b/d Spartan Oil Products Pipeline in Michigan April 15

Wolverine Pipeline Co. shut the pipeline to investigate a leak near an associated terminal, the company said on April 15. The line delivers oil products from Wolverine's Stockbridge terminal to Lansing and Bay City, Michigan. A company spokesman referred to the shutdown as precautionary.

 $\underline{http://af.reuters.com/article/energyOilNews/idAFWEN113520110415}$

Reuters, 11:14 April 15

Iran to Boost Production to 600,000 b/d at Existing 55,000 b/d South Azadegan Oilfield

Iran expects to increase crude production to 320,000 b/d over the next four years at its existing 55,000 b/d South Azadegan oilfield, and eventually increase output to 600,000 b/d, according to an official at Iran's Petroleum Engineering and Development Company.

http://www.rigzone.com/news/article.asp?a id=106160

Southern Pacific Resource to Pursue 24,000 b/d Expansion at Planned 12,000 b/d STP-McKay Oil Sands Project in Alberta, Canada

Southern Pacific Resource Corp plans to add an incremental 24,000 b/d of bitumen processing capacity to its proposed 12,000 b/d STP-McKay Thermal Project in Alberta, Canada, the company said on April 14. Southern Pacific has already begun construction on the 12,000 b/d project. It expects to develop the 24,000 b/d expansion in two 12,000 b/d phases.

http://www.shpacific.com/en/news/stp-2011-04-14.pdf

Update: European Union Freezes Assets of Three Libyan Oil Ventures Involving Companies from United States, France, and Canada April 14

http://www.rigzone.com/news/article.asp?a id=106151

Eni to Deliver Oil via Tanker from Gadhafi-Controlled Territory in Western Libya

Eni booked the tanker by April 14, according to an industry source. It will be the first delivery in weeks from Gadhafi-controlled territory.

http://af.reuters.com/article/energyOilNews/idAFLDE73D1JG20110414

Natural Gas

Quicksilver Resources to Open 20-Inch, 20-Mile Natural Gas Gathering Pipeline in British Columbia, Canada in May 2011

The line would deliver natural gas from four existing Quicksilver Resources-owned wells in the Horn River Basin of northeast British Columbia to a Spectra-owned pipeline, Quicksilver said on April 14. Those wells should, pending the line's completion, produce more than 30 MMcf/d of natural gas. Also in the Horn River Basin, TransCanada plans to construct a 36-inch, 70-mile pipeline through Quicksilver's acreage, according to Quicksilver. That line would connect TransCanada's proposed Fortune Creek Meter Station and Quicksilver's planned Fortune Creek treatment facility to TransCanada's Alberta System from the Cabin area of British Columbia. TransCanada is scheduled to complete the line, dubbed the Horn River extension, in mid-2014. Quicksilver expects the Fortune Creek treatment facility to deliver up to 125 MMcf/d of natural gas by mid-2014.

http://www.grinc.com/investor_relations/news/press/2011/041411%20HRB%20Midstream.pdf

Other News

Piracy at Sea Rises to All-Time High over First Three Months of 2011: IMB Report

Piracy at sea hit an all-time high in the first three months of 2011, with 142 attacks worldwide, the International Chamber of Commerce (ICC) International Maritime Bureau (IMB) said in its global piracy report on April 14. Some 97 of those attacks occurred offshore Somalia, compared to 35 in the same period of 2010. Worldwide, 18 vessels were hijacked, 344 crew members were taken hostage, and six were kidnapped. A further 45 vessels were boarded, and 45 more reported being fired upon.

http://www.icc-ccs.org/news/441-attacks-off-the-somali-coast-drive-piracy-to-record-high-reports-imb

Update: Tokyo Electric Power to Move Emergency Generators to Higher Ground at Fukushima Daiichi Nuclear Power Plant in Japan

Tokyo Electric Power plans to place its emergency diesel generators approximately 66 feet above sea level – about twice as high as previously-located – in a bid to avoid damage from future tsunamis, the company and Bloomberg News said by April 14.

http://www.bloomberg.com/news/2011-04-14/tsunami-risk-prompts-tepco-to-move-fukushima-backup-power-to-higher-ground.html

Energy Prices

U.S. Oil and Gas Prices April 15, 2011			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	109.24	111.47	85.45
NATURAL GAS Henry Hub \$/Million Btu	4.12	4.12	4.15

Source: Reuters

N.C. Poultry Power Plans 36 MW Poultry Waste-to-Biogas Energy Plant in Montgomery County, North Carolina - Company to Open Facility in Early 2013 http://progress-energy.com/aboutus/news/article.asp?id=26023

Hydrogen Buildup to Blame for Fatal March Explosion at Progress Energy's L.V. Sutton Steam Electric Plant near Wilmington, North Carolina: Company Officials http://finance.yahoo.com/news/Hydrogen-buildup-caused-fatal-apf-210173916.html?x=0&.v=1

Entergy to Store Nuclear Waste in Dry Casks, instead of in Pools, at 688 MW Pilgrim Nuclear Power Plant in Massachusetts

http://www.boston.com/news/local/massachusetts/articles/2011/04/14/pilgrim says it will begin storing nuclear waste in hardened casks/?page=full

Alon Sees No Operational Impact after Emissions Event at 67,000 b/d Big Spring, Texas April 15

Reuters, 07:38 April 15, 2011

Oklahoma Governor Signs Bill Modernizing Energy Statutes, Enabling Expansion of Horizontal Oil-and-Gas Drilling throughout State April 13

http://www.rigzone.com/news/article.asp?a id=106200

Gulf Keystone Says Shaikan Discovery in Kurdistan, Iraq Contains Mean Value of 7.5 Billion Barrels of Oil-in-Place

http://www.rigzone.com/news/article.asp?a_id=106144

Oil Sheens Sighted along North Platte River near Former Amoco Refinery in Casper, Wyoming by April 14 – Local Officials Cut Off Town of Casper's Intake from River, but See no Threat to Local Water Supply

http://billingsgazette.com/news/state-and-regional/wyoming/article_93ad3436-4f8d-5af4-82d8-b3dbea07cc94.html

After April 13 Dust Storm, Kuwait Resumes Crude Exports by April 14 – Nation Produces Approximately 2.4 Million b/d of Oil

http://www.businessweek.com/ap/financialnews/D9MJFLOO0.htm

Rupture along PG&E-Operated Natural Gas Pipeline Triggers Local Evacuations in Fresno, California April 13

http://www.fresnobee.com/2011/04/13/2349065/fires-fuel-spill-gas-leak-keep.html

PG&E Agrees to Provide Semi-Annual Gas Transmission and Storage Safety Report in California – Safety Report to Enable CPUC to Track Company's Projects, Operations, and Maintenance Activities, and Allow CPUC to Monitor Company's Compliance with Federal Requirements

http://docs.cpuc.ca.gov/published/News release/133559.htm

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

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