



ENERGY ASSURANCE DAILY

Friday Evening, April 16, 2010

Electricity

FPL's 839 MW Saint Lucie Nuclear Unit 2 in Florida Shut by April 16

FPL shut the unit due to a valve snag, the company said in a filing with the Nuclear Regulatory Commission (NRC). The Nuclear Regulatory Commission reported that on the morning of April 15 the unit was operating at full power.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2010/20100416en.html>

<http://www.miamiherald.com/2010/04/16/1582606/fpl-idles-st-lucie-nuclear-reactor.html>

Information also derived from the NRC Power Reactor Status Reports:

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

Entergy's 730 MW Palisades Nuclear Unit in Michigan Reduced to 35 Percent by April 16

The Nuclear Regulatory Commission reported that on the morning of April 15 the unit was operating at full power.

Information derived from the NRC Power Reactor Status Reports:

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

PPL's 1,111 MW Susquehanna Nuclear Unit 2 in Pennsylvania Reduced to 63 Percent by April 16

The company reduced the unit due to a suspected tube leak, a plant spokesman said. The Nuclear Regulatory Commission reported that on the morning of April 15 the unit was operating at 94 percent.

Bloomberg News, 08:59 April 16, 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: SCE's 1,070 MW San Onofre Nuclear Unit 2 in California Ramped Up to 90 Percent by April 16

Southern California Edison (SCE) shut the unit in late September for planned work, according to Reuters and The Orange County Register. The company had expected to resume service in late 2009, but lengthened the outage due to faulty equipment. The Nuclear Regulatory Commission reported that on the morning of April 15 the unit was operating at 80 percent.

<http://www.ocregister.com/news/reactor-243204-mode-nuclear.html>

<http://www.reuters.com/article/idUSN0820289620100408?type=marketsNews>

Information also derived from the NRC Power Reactor Status Reports:

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

Update: AES's 226 MW Huntington Beach Gas-Fired Unit 2 in California Returns to Service by April 15

According to the California Independent System Operator, the unit reported a return from an unplanned outage.

<http://www.caiso.com/unitstatus/data/unitstatus201004151515.html>

Update: TVA's 1,118 MW Browns Ferry Nuclear Unit 3 in Alabama at Full Power by April 16

The Nuclear Regulatory Commission reported that on the morning of April 15 the unit was operating at 79 percent.

Information derived from the NRC Power Reactor Status Reports:

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

Update: Entergy's 813 MW FitzPatrick Nuclear Unit in New York Ramped Up to 94 Percent by April 16

The Nuclear Regulatory Commission reported that on the morning of April 15 the unit was operating at 74 percent. Information derived from the NRC Power Reactor Status Reports:

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

Update: Southern Restarts 870 MW Hatch Nuclear Unit 2 in Georgia by April 16

Operators shut the unit to perform maintenance on safety release valves, Bloomberg News said previously. The Nuclear Regulatory Commission reported that on the morning of April 4 the unit was operating at full power.

Bloomberg News, 10:29 April 5, 2010

Information also derived from the NRC Power Reactor Status Reports:

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

NRC Sees Pattern of Generator Problems at FPL's 1,155 MW Seabrook Nuclear Power Plant in New Hampshire

The Nuclear Regulatory Commission (NRC) plans to widen the scope of a June 2010 inspection at FPL's Seabrook nuclear power plant in New Hampshire, an agency official said on April 14, in response to a February 2009 problem with one of the site's emergency diesel generators. The NRC official cited a pattern of generator problems since 2001, and asked FPL if it had considered "some of the underlying issues." The company acknowledged that earlier issues were the product of "latent issues," but said the February 2009 problem stemmed from workers' failure to properly design and install a piece of the generator.

<http://www.seacoastonline.com/apps/pbcs.dll/article?AID=/20100415/NEWS/4150412/-1/NEWSMAP>

PECO Energy to Install 600,000 Smart Meters over Next Three Years in Pennsylvania

PECO Energy received a \$200 million grant from the Department of Energy (DOE) for its smart grid plan, according to a filing with the U.S. Securities and Exchange Commission (SEC). The company expects to install smart meters for all of its 1.6 million customers within 13 years. It aims to install 600,000 of those meters over the next three years, and the remaining 1 million within the subsequent 10 years.

<http://phillyrealestate.citybizlist.com/YourCityBizNews/detail.aspx?id=74366>

Petroleum

Power Surge Causes Flaring at Citgo's 429,500 b/d Lake Charles, Louisiana Refinery April 15

The power surge occurred in an acid plant, according to state officials. The issue was resolved, a state policeman said. It was not clear if there was any impact to production.

Bloomberg News, 10:30 April 16, 2010

Tailgas Unit Snag Triggers Flaring at CVR Energy's 115,700 b/d Coffeyville, Kansas Refinery April 14

The company pulled charge from the unit, ending the release, according to a filing with state regulators. It was not clear if the incident had any impact to production.

Bloomberg News, 16:26 April 15, 2010

Surplus Oil Production Capacity Could Give Way to 10 Million b/d Shortfall by 2015: U.S. Joint Forces Command

Oil demand could catch up with oil production capacity by 2012 and give way to a 10 million b/d shortfall by 2015, the U.S. Joint Forces Command said its Joint Operating Environment 2010 report, released to the public on February 18, 2010. That, in turn, would hamper the potential for growth throughout the world. The report itself makes it clear that it is only a starting point for discussion, "...is speculative in nature and does not suppose to predict what will happen in the next twenty-five years." To read the report, click on the first link below.

http://www.jfcom.mil/newslink/storyarchive/2010/JOE_2010_o.pdf

<http://www.guardian.co.uk/business/2010/apr/11/peak-oil-production-supply>

Department of Interior's Methods Fail to Ensure it Accurately Measures O&G Production Volumes: GAO

The Department of Interior's measurement regulations and policies do not provide reasonable assurance that oil and gas are accurately measured, and its varied approaches for developing and revising its measurement regulations are both ineffective and inefficient, the Government Accountability Office (GAO) said in a report. The Department's regulations are dated and onshore and offshore staffs have not frequently coordinated on measurement issues. The GAO recommended, among other things, that the Department form a panel to review changing technologies and consider annually whether to update existing regulations. To read the GAO's report and recommendations, click on the first link below.

<http://www.gao.gov/products/GAO-10-313>

Connacher Oil and Gas Completes 10,000 b/d Algar SAGD Oil Sands Project in Alberta, Canada by April 16

The Algar steam assisted gravity drainage (SAGD) oil sands project is expected to facilitate production of 10,000 b/d of bitumen over more than 25 years. It is expandable to 34,000 b/d.

<http://www.connacheroil.com/en/investor/cil-2010-04-16-algarcomplete.pdf>

ExxonMobil Employs Extended-Reach Drill Technology to Boost Recoverable Reserves by 5.8 Million Boe at Offshore California Rig

ExxonMobil finished "the world's longest extended-reach well drilled from an existing offshore fixed platform drilling rig" at its Heritage platform offshore California, the company said in a press release. The well stretches more than six miles horizontally and greater than 7,000 feet below sea level.

http://www.businesswire.com/portal/site/exxonmobil/index.jsp?ndmViewId=news_view&ndmConfigId=1001106&newsId=20100416005159&newsLang=en

U.S. Oil Demand 3.5 Percent Higher in March 2010 Compared to March 2009: API

U.S. oil and oil-product demand rose 3.5 percent in March 2010 from a year ago, the American Petroleum Institute (API) said on April 16. Gasoline demand, individually, surged 3.8 percent to an all-time March high of 9.2 million b/d.

<http://in.reuters.com/article/oilRpt/idINN1611743220100416>

Natural Gas

DEP Orders Cabot Oil & Gas to Plug Three Wells Suspected of Groundwater Contamination in Pennsylvania

The Pennsylvania Department of Environmental Protection (DEP) ordered Cabot Oil & Gas Corp. to plug three wells within 40 days in Susquehanna County, Pennsylvania, citing the company's failure to abide by the terms of a November 2009 consent order and agreement. The wells-in-question are thought to be the source of groundwater contamination that has affected drinking water supplies to 14 area homes. DEP also immediately suspended its review of Cabot's pending permit applications for new drilling activities statewide, pending the company's fulfillment of the order. Cabot, for its part, said it had agreed to plug and abandon the wells and provide permanent sources of potable water to 14 households.

<http://www.portal.state.pa.us/portal/server.pt/community/newsroom/14287?id=10586&typeid=1>
<http://phx.corporate-ir.net/phoenix.zhtml?c=116492&p=irol-newsArticle&ID=1413559&highlight=>

Praxair Installs Nitrogen Supply System for Chevron and Total Gas and Power at Outlet of Sabine Pass LNG Terminal in Louisiana

The system allows the companies to deliver, pump, vaporize and transport liquid nitrogen for injection into the Kinder Morgan Louisiana pipeline system. Nitrogen is blended into LNG that has too high an energy content (for the pipeline) to bring it into specification. The Kinder Morgan system links the Sabine Pass terminal to multiple other pipelines.

<http://www.praxair.com/praxair.nsf/AllContent/A40F07665F246AC785257705006E5B34?OpenDocument>

Other News

Update: West Virginia Governor Orders State to Inspect Underground Coal Mines

West Virginia Governor Joe Manchin issued an executive order ordering the state to inspect underground coal mines, prioritizing those mines with the greatest number of violations for combustion risks. The Executive Order also encourages the state's coal mines to halt production on April 16 and focus the day on a review its safety procedures. The Executive Order came in response to the fatal April 5 explosion at Massey Energy's Upper Big Branch Coal Mine.

<http://www.wv.gov/sec.aspx?id=32&articleid=1994>

http://www.kare11.com/news/national/national_article.aspx?storyid=848177&catid=18

Update: Nebraska Corn Processing LLC Returns Newly-Purchased 44 MMGal/Yr. Corn-Based Ethanol Plant in Nebraska to Full Capacity

Nebraska Corn Processing LLC, a Zeeland Farm Services' subsidiary, bought the corn-based plant from bankrupted Mid America Agri Products/Horizon, LLC in early 2010, according to a previous and current news source. The facility entered service in 2008, but was offline for most of 2009.

<http://www.hollandsentinel.com/business/x1671996725/Zeeland-Farm-Services-buys-ethanol-plant>

http://ethanolproducer.com/article.jsp?article_id=6526

Energy Prices

U.S. Oil and Gas Prices			
April 16, 2010			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	82.69	84.61	49.62
NATURAL GAS Henry Hub \$/Million Btu	3.97	3.92	3.60

Source: Reuters

Energy Notes

CPS Energy, Duke Energy and Juwi Solar Break Ground on Planned 14 MW Blue Wing Solar Power Project in Texas

http://www.cpsenergy.com/About_CPS_Energy/News_Features/News/PF-04152010_Blue_Wing_Solar_Const_NR.asp

Update: FAA and Air Force Block Construction of Caithness Energy's Planned 845 MW Shepherds Flat Wind Farm in Oregon, Citing Concerns over Interference with Radar Station Transmissions

http://seattletimes.nwsources.com/html/localnews/2011609868_aporairforcewind1stldwritethru.html

Cyber Security Incident Rate Rises 30 Percent in Power & Utilities Industries during 2009: Repository of Industrial Security Incidents

<http://www.securityincidents.org/members/news.asp?ID=13>

Exxon Mobil Corporation Subsidiaries in Guam and Northern Mariana Islands Agree to Pay \$2.4 Million Fine for Alleged Clean Air Act Violations

<http://www.prnewswire.com/news-releases/two-exxon-mobil-subsidiaries-in-guam--northern-marianas-reach-settlement-with-united-states-91032409.html>

Hydrogen Gas Release at ExxonMobil's 192,500 b/d Chalmette, Louisiana Refinery April 15

Bloomberg News, 13:25 April 16, 2010

Traders Seek to Deliver Surplus U.S. Distillate Supplies to Europe This Spring

<http://www.reuters.com/article/idUSTRE63F1YV20100416>

Letter Threatens Attacks on Encana's Natural Gas Facilities in British Columbia, Canada

<http://www.reuters.com/article/idUSN1521237120100415?type=marketsNews>

NuStar Energy Delivering Crude via Rail from Bakken Shale in North Dakota to St. James Louisiana – Company Aims to Send as Much as 10,000 b/d along Route

<http://www.reuters.com/article/idUSN1612202520100416?type=marketsNews>

Farm Equipment Hits Natural Gas Pipeline, Cutting Service to About 1,600 CenterPoint Energy Customers in Arkansas April 15-16

<http://www.centerpointenergy.com/newsroom/newsreleases/62f2412874608210VgnVCM10000026a10d0aRCRD/>

Poly Tee Breaks Off Sid Richardson Energy Services' 10-Inch Natural Gas Pipeline in Texas April 15

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=138492>

Power Blip Shuts Turbine at Goldsmith Gas Plant in Texas April 15

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=138508>

Severe Weather Cuts Power to Tilden Gas Plant in Texas, Causing Facility to Go Sour April 16

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=138501>

Maine Opens Energy Corridors, but Canada Remains Opposed to LNG Traffic through New Brunswick - Opposition Seen as Stumbling Block to LNG Terminals in Robbinston and Calais, Maine

http://www.kjonline.com/news/energy-corridors-measuredoesn-t-budge-canada-on-lng_2010-04-14.html

<http://wbztv.com/wireapnewsme/Maine.bill.won.2.1634554.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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