



ENERGY ASSURANCE DAILY

Friday Evening, May 06, 2011

Electricity

Update: TVA Continues to Restore Power to Customers Affected by Last Week's Storms and Tornadoes; 14,000 Remain in the Dark May 5

According to the latest press release from the Tennessee Valley Authority (TVA), 14,000 homes and businesses remain without electric service due to the extensive damage from the tornadoes and storms. At the peak, almost 850,000 customers were without power. Only one TVA connection point remains out of service, affecting one large industrial customer. At the peak, 128 customer connections were affected.

http://www.tva.com/news/releases/aprjun11/storm_past.htm

Exelon's 1,111 MW La Salle Nuclear Unit 2 in Illinois Reduced to 60 Percent by May 6

The Nuclear Regulatory Commission reported that on the morning of May 5 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/2011/>

AES's 498 MW Alamitos Generating Station Gas-Fired Unit 5 in California Returns to Service by May 5

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

<http://www.caiso.com/unitstatus/data/unitstatus201105051515.html>

Dominion Plans to Shutter 515 MW State Line Coal-Fired Power Station Located on Illinois-Indiana Border

Company executives announced that Dominion would shut sometime between 2012 and 2014

http://articles.chicagotribune.com/2011-05-05/news/ct-met-coal-plant-shutdown-20110505_1_state-line-power-station-megawatts-of-pollution-free-wind-coal-plants

Hydro One Currently Building New 112-Mile, 500 kV Transmission Line in Ontario

The new double-circuit 500 kV transmission line will connect the Bruce Power Facility to Hydro One's Milton Switching Station. The line will be 180 kilometers long, or approximately 112 miles.

<http://news.morningstar.com/all/canada-news-wire/20110429C8199/media-advisory-hydro-one-advises-that-construction-work-on-electricity-transmission-line-will-cause-traffic-slowdowns-on-401-near-milton-this-weekend.aspx>

Petroleum

Update: Crude Oil Futures Continue Record Drop May 6 as Spot Prices Gain

According to an afternoon Reuters report, U.S. crude futures fell \$2.62 to \$97.18 per barrel today despite positive U.S. jobs data. U.S. crude is down \$16.75 for the week, the largest weekly drop on record since the contract began trading in 1983. Brent crude futures were also down another \$1.37 today to \$109.43 per barrel as of 2:56 p.m. EDT. According to traders, the strength of the U.S. dollar was responsible for much of the drop in prices today. West Texas Intermediate (WTI) spot prices gained somewhat remaining over \$100 per barrel according to Reuters (see Energy Prices below for more information about spot prices).

Reuters, 03:59 May 6, 2011

<http://www.reuters.com/article/2011/05/06/us-markets-oil-idUSL3E7G601S20110506>

Update: Problems at Sunoco's 335,000 b/d Philadelphia, Pennsylvania Refinery Traced to 2007-2009 Maintenance Work

Operators said on May 5 that maintenance work completed between 2007 and 2009 has been causing recent problems at the refinery. Sunoco is currently investigating parts of the Philadelphia refinery where major changes were made during previous turnarounds. The refinery is currently operating at full rates.

<http://uk.reuters.com/article/2011/05/05/refinery-operations-sunoco-idUKWEN284620110505>

Update: Canadian Natural's Fire-Downed 110,000 b/d Horizon Oil Sands Project in Alberta Still Offline – Partial Production to Resume in Mid-June

A fire damaged the site's upgrader on January 6. Repairs are due to be completed in mid-June.

<http://ca.reuters.com/article/marketsNews/idCAN0528893120110505>

<http://www.theglobeandmail.com/report-on-business/cnrl-to-resume-production-at-horizon/article2011660/>

Update: Regulators Examining Plains All American Pipeline's Ruptured Rainbow Crude Pipeline in Alberta May 5

The 220,000 b/d, 480-mile pipeline spilled approximately 28,000 gallons in Alberta on April 29 according to previous reports. Inspectors are checking to determine if the one-inch gash in the pipeline could be a sign of more significant problems. The pipeline will remain closed until regulators believe it can be operated safely.

<http://af.reuters.com/article/energyOilNews/idAFN059852120110505>

USGS Reduces Assessment of Recoverable Oil Reserves in the NPRA

The U.S. Geological Survey (USGS) has posted its assessment of economically recoverable oil and gas reserves in the National Petroleum Reserve in Alaska (NPRA). According to the USGS, there are approximately 273 million barrels of economically recoverable undiscovered oil in the NPRA at an oil price of \$72 per barrel, though that number increases to about 500 million barrels given a price of \$90 per barrel. This assessment of oil reserves is significantly lower than the assessment given in 2003. The USGS also found 18 trillion cubic feet of economically recoverable undiscovered gas at a price of \$8 per thousand cubic feet, with that number increasing to 32 trillion cubic feet given a price of \$10 per thousand cubic feet. However, there is currently no pipeline in place to transport gas away from the North Slope.

http://www.rigzone.com/news/article.asp?a_id=106840

<http://pubs.usgs.gov/of/2011/1103/>

Natural Gas

Enterprise Products Partners Announces Plans for 85,000 b/d NGL Expansion for Rocky Mountain Segment of MAPL System May 5

The partnership's proposed expansion will include looping the existing Mid-America Pipeline (MAPL) system with up to 290 miles of 16-inch diameter pipeline, as well as pump station modifications, to transport an additional 85,000 b/d of natural gas liquids. The expansion is expected to begin service in the third quarter of 2014. The existing Rocky Mountain portion of the MAPL system extends more than 3,000 miles and transports NGLs from the Overthrust and San Juan basin areas to Enterprise's Hobbs fractionator in Gaines County, Texas.

<http://phx.corporate-ir.net/phoenix.zhtml?c=80547&p=irol-newsArticle&id=1560584&highlight>

Secretary Chu Announces Formation of Group to Develop Best Practices for Natural Gas Extraction May 5

U.S. Energy Secretary Steven Chu announced the formation of a subcommittee of his Advisory Board that will make recommendations to improve the safety and environmental performance of natural gas hydraulic fracturing from shale formations. The goal is to enable harnessing of a vital domestic energy resource while ensuring the safety of drinking water and the health of the environment. The subcommittee will be composed of environmental, industry, and state regulatory experts.

<http://www.energy.gov/news/10309.htm>

Other News

Two Tanker Cars, Each Carrying 28,000 Gallons of Ethanol, Catch Fire after Train Derailment in Oregon May 4

Two freight trains were involved in the derailment, one of which was transporting 12 tanker cars of ethanol. The area was evacuated, and U.S. Highway 30 was closed for several hours. Oregon firefighters extinguished the blaze later in the day. The National Transportation Safety Board will investigate the incident.

<http://www.statesman.com/news/nation/oregon-firefighters-extinguish-train-derail-blaze-1454466.html>

USCG Closes Portions of Mississippi River in Missouri Due to High Water Levels May 6

The U.S. Coast Guard (USCG) planned to close five miles of the Mississippi River near Caruthersville, Missouri to all commercial traffic today. The closed portion is near where the Ohio and Mississippi River meet. The closure may last up to eight days.

<http://www2.wspa.com/news/2011/may/06/1/part-mississippi-river-closed-due-high-water-ar-1810917/>

Energy Prices

U.S. Oil and Gas Prices			
May 6, 2011			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	101.74	112.86	79.20
\$/Barrel			
NATURAL GAS			
Henry Hub	4.49	4.38	4.00
\$/Million Btu			

Source: Reuters

Energy Notes

DP&L Reports Transmission Device Failure Briefly Knocks Out Power to about 10,000 Customers in Ohio May 5

<http://www.daytondailynews.com/news/dayton-news/power-restored-to-nearly-10-000power-restored-to-nearly-10-000-dpl-customers-1153509.html>

<http://www.dpandl.com/customer-service/blue-center/outage-map/>

Equipment Failure Causes Utility Pole to Catch Fire in Port Huron, Michigan, Cutting Power to Scattered DTE Energy Customers and Shutting Interstate 94 for Hours May 6

<http://www.thetimesherald.com/article/20110506/NEWS01/105060306/Fire-fuels-outages-traffic-jam>

New Seneca Mill Facility Recycles Logging Waste to Produce Electricity for Eugene Water & Electric Board in Oregon

<http://kezi.com/news/local/211528>

Green Mountain Development and C. Trade to Rehabilitate and Operate 2.5 Million Gallon Beach Haven Oil Terminal in Berwick, Pennsylvania

<http://www.marketwire.com/press-release/green-mountain-development-and-c-trade-announce-pennsylvania-oil-terminal-project-pinksheets-gmnd-1511173.htm>

Operators Discover Leak at Entergy's 1,075 MW Waterford Nuclear Unit 3 May 6

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2011/20110506en.html>

Energy Secretary Chu and Agriculture Secretary Vilsack Announce \$47 Million for Eight Biofuels and Bioenergy R&D Projects May 5

<http://www.energy.gov/news/10308.htm>

More than 1.3 Million Plug-in Electric Vehicles Will Be Purchased by Corporations and Governments for Use in Fleet Operations between 2010 and 2015: Pike Research Report

<http://www.pikeresearch.com/newsroom/more-than-1-3-million-plug-in-electric-vehicles-to-be-in-corporate-and-government-fleets-by-2015>

Duke Energy CEO Says Company Remains Committed to Moving Forward with Licensing Process for Proposed Lee Nuclear Project in South Carolina despite Accident at Japanese Nuclear Plant

Reuters, 14:42 May 5, 2011

<http://www.energycentral.com/news/en/19908445/Duke-Energy-Remains-Committed-to-Nuclear-Power-CEO-Rogers-Tells-Shareholders>

NRC Needs Better Security Data for Dry Cask Nuclear Fuel Storage: NRC Inspector General

<http://www.bloomberg.com/news/2011-05-04/nuclear-fuel-in-dry-casks-needs-better-security-watchdog-says.html>

Mitsubishi Heavy Industries to Dedicate Phase 1 of Gas Turbine Manufacturing Facility at Savannah Machinery Works in Pooler, Georgia May 11

<http://www.prnewswire.com/news-releases/mitsubishi-power-systems-to-dedicate-north-american-gas-turbine-manufacturing-facility-and-service-center-121346913.html>

Acid Gas Compressor Shuts, Restarts Due to Damaged Compressor Valves at Big Lake Gas Plant in Texas March 5

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=154188>

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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