



ENERGY ASSURANCE DAILY

Tuesday Evening, September 14, 2010

Electricity

Update: Entergy's 979 MW Indian Point Nuclear Unit 3 in New York Ramped Up to 52 Percent by September 14

Operators shut the unit on September 9 due to a "service water leak in the main generator exciter housing," the company said in a previous filing with the Nuclear Regulatory Commission (NRC). The NRC reported that on the morning of September 13 the unit was operating at 8 percent.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2010/20100910en.html>

Information also derived from the NRC Power Reactor Status Reports:

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

Exelon's 619 MW Oyster Creek Nuclear Unit in New Jersey Reduced to 65 Percent by September 14

The Nuclear Regulatory Commission reported that on the morning of September 13 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/>

Update: TVA's 1,118 MW Browns Ferry Nuclear Unit 3 in Alabama at Full Power by September 14

The Nuclear Regulatory Commission reported that on the morning of September 13 the unit was operating at 85 percent.

Information derived from the NRC Power Reactor Status Reports:

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

U.S. Derives almost 10 Percent of Its Electricity from Nuclear Material Removed from Russian Missiles

The United States produces about 20 percent of its electricity from nuclear power and about one half of the nuclear fuel currently comes from Russia. The U.S. has been converting the nuclear material in old Russian nuclear weapons into nuclear power plant fuel since the early 1990s.

<http://www.time.com/time/nation/article/0,8599,2017465,00.html>

Petroleum

Update: Crews Replacing 12-Foot Segment along Enbridge's 670,000 b/d, 34-Inch, Wisconsin-to-Indiana Crude Oil Line 6A

Enbridge's 670,000 b/d, 34-inch, 467-mile Wisconsin-to-Indiana Line 6A remained shut on September 14, about five days after the line ruptured and spilled an estimated 6,100 barrels of oil in Romeoville, Illinois, according to company, news, and official sources. Crews discovered the source of the spill on September 12, and verified that oil was no longer leaking; they were working on September 13 to remove, examine, and replace a 12-foot section of the pipe, the U.S. Environmental Protection Agency (EPA) said. Enbridge expected to finish repairing the line on September 14, but it remained unclear when it might resume normal service, according to a spokeswoman. The company, however, said it might be able to restart the line without first seeking formal authorization from federal regulators. The shutdown caused gasoline prices to increase across the U.S. Midwest, and threatened to disrupt operations at several regional refineries, as of latest reports. Although it had not, in fact, significantly impacted any of those refineries, as of latest reports, the incident did lead to a backup of oil in Canada by September 14, Suncor

Energy's CEO said. (The CEO said Suncor had not reduced production due to the outage). Oil analysts at JP Morgan said the shutdown could reduce overall oil pipeline deliveries by nearly 300,000 b/d, even after companies tap alternate systems to make up for the loss of Line 6A. The line was delivering about 459,000 b/d of oil at the time of the incident, according to Enbridge.

<http://romeoville.enbridgeus.com/line6a/main.aspx?id=13255>

<http://www.epa.gov/region5/romeoville/index.html>

http://www.post-trib.com/business/2703206.pt_13_EPA-says-Illinois-leak-stopped.article

<http://drippingoil.blogspot.com/2010/09/jp-morgan-nysejpm-enbridge-nyseeep-halt.html>

<http://www.bloomberg.com/news/2010-09-14/oil-trades-near-one-month-high-on-european-economic-outlook-china-growth.html>

<http://www.southtownstar.com/business/2704614.091410gas.article>

Reuters, 12:38 September 14, 2010

Reuters, 13:01 September 14, 2010

Reuters, 12:31 September 14, 2010

Reuters, 20:22 September 13, 2010

Enbridge Shuts and Restarts 70,000 b/d Ontario-to-New York Crude Oil Line 10 September 13-14

Citing a "potential" leak near Buffalo, New York, Enbridge shut its 70,000 b/d, 91-mile, Ontario-to-New York Line 10 by September 13, a company spokesman said. The company, however, found no leak and restarted the line on September 14. The shutdown occurred as two other Enbridge pipelines – the 670,000 b/d, Wisconsin-to-Indiana Line 6A and the 190,000 b/d, Indiana-to-Ontario Line 6B – remained offline due to spills.

<http://www.foxbusiness.com/markets/2010/09/13/enbridge-shuts-rd-pipeline-potential-oil-leak/>

<http://www.calgaryherald.com/business/Enbridge+shuts+third+line+leak/3520079/story.html>

<http://www.foxbusiness.com/markets/2010/09/13/epa-says-enbridge-ny-oil-spill-ounces-gallons/>

DJN, 13:02 September 14, 2010

Update: BP Resumes Relief Well Drilling at Blown-Out Well in Gulf of Mexico September 13

BP restarted relief well drilling operations yesterday afternoon from the Development Driller III (DD3) at the blown-out Macondo 252 well in the Gulf of Mexico, the company said in a release. The resumption followed the installation of a lock down sleeve – a mechanical device that secures the MC252 well's casing hangar. The DD3 was about 50 feet above the MC 252 well's intercept point, as of yesterday

<http://www.bp.com/genericarticle.do?categoryId=2012968&contentId=7064986>

<http://app.restorethegulf.gov/go/doc/2931/897427/>

Scientists Discover Oil on Floor of Gulf of Mexico, as Far as 80 Miles Away from Deepwater Horizon Well by September 13

http://www.google.com/hostednews/ap/article/ALeqM5h2vTaJAVoov2FVhLIvh3W_G-tYOAD9I74O082

Update: Western Refining Halts Refining Operations at 66,300 b/d Yorktown, Virginia Refinery by September 13

Western Refining finished shutting all the refining process units at its 66,300 b/d Yorktown, Virginia refinery, it said in a September 13 release. The company announced the suspension in early August, citing weak margins.

<http://ir.westernrefining.com/phoenix.zhtml?c=194293&p=RssLanding&cat=news&id=1470524>

Reuters, 17:45 September 13, 2010

ConocoPhillips Shuts FCC at 247,000 b/d Sweeny, Texas Refinery September 13

ConocoPhillips began shutting a gasoline-producing fluid catalytic cracking unit (FCC) on September 13 due to "a catalyst leak on the regenerator unloading line" at its 247,000 b/d Sweeny, Texas refinery, the company said in a filing with state regulators. The outage was slated to last for about four days.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=144709>

<http://www.reuters.com/article/idUSWEN966720100913>

Update: Murphy Oil Fixes Leak, Resumes Normal Operations at 125,000 b/d Meraux, Louisiana Refinery by September 13

Murphy Oil fixed a leak in a gasoline-making fluid catalytic cracking unit (FCC) and resumed normal operations by September 13 at its 125,000 b/d Meraux, Louisiana refinery, the company said. The work had led the company to reduce the facility's rates to approximately 90,000 b/d on September 9.

<http://www.reuters.com/article/idUSWEN969320100914>

<http://af.reuters.com/article/energyOilNews/idAFWEN951720100909>

Update: TransCanada Seeks Bids from Bakken Producers to Deliver 100,000 b/d of Oil into Planned Keystone XL Oil Pipeline through Montana

TransCanada Corporation launched a binding Open Season yesterday for a project that would allow U.S. producers to transport up to 100,000 b/d of oil into TransCanada's planned Keystone XL pipeline, according to the company and the Associated Press. The proposal, or Bakken Marketlink Project, would provide crude oil transportation service from Baker, Montana, to Cushing, Oklahoma, and to the U.S. Gulf Coast. In effect, it would give producers in the Bakken region of the Williston Basin access to TransCanada's proposed Alberta-to-Texas Keystone XL pipeline. The Bakken Marketlink Project is expected to enter service in the first quarter of 2013.

http://www.transcanada.com/docs/Key_Projects/public_bakken_marketlink_NOS.pdf

<http://www.transcanada.com/keystone.html>

<http://www.transcanada.com/5490.html>

http://www.google.com/hostednews/ap/article/ALeqM5gMGjuG_eVBrv18Ce4EyMUpMaQ0wD9I79MMG2

Update: PdVSA's Fire-Downed Bonaire Oil Terminal in Caribbean Remains Shut September 13

PdVSA's 12 million barrel Bonaire oil terminal in the Caribbean remained offline on September 13, five days after a fire forced the facility to shut, traders said. The government of Bonaire – calling for an investigation into the incident's potential environmental impact – ordered the facility to stay shut, as of September 14, according to Reuters. The terminal exports oil and oil products to China and the United States. The Bonaire blaze preceded fires at two other PdVSA-owned facilities: one at the 320,000 b/d Isla refinery in Curacao, Netherlands Antilles, and another at one of the docks at the 305,000 b/d Cardon refinery in Venezuela. The Isla refinery was controlled within hours; the Cardon incident forced shut all five docks at the facility.

<http://af.reuters.com/article/commoditiesNews/idAFN1319737220100913>

<http://online.wsj.com/article/BT-CO-20100913-715128.html>

Reuters, 12:27 September 14, 2010

Libra Prospect Offshore Brazil Could Contain 8 Billion Barrels of Oil: Government Official

The Libra prospect offshore Brazil "has up to 8 billion barrels of recoverable reserves," the nation's Secretary of Oil and Gas for the Mines and Energy Ministry said on September 13.

Reuters, 17:50 September 13, 2010

Natural Gas

Update: CPUC to Order PG&E to Inspect Natural Gas System in California, Citing San Bruno Explosion

The California Public Utilities Commission (CPUC) will order Pacific Gas and Electric Company (PG&E) to inspect its natural gas system, the CPUC said on September 12, citing a fatal September 9 explosion along the company's pipeline system in San Bruno, California. The CPUC will direct PG&E to:

- Conduct leak surveys on all natural gas lines, giving priority to higher pressure pipelines that run through highly-populated areas;
- Keep the affected segment of the exploded line out of service until the CPUC directs otherwise;
- Preserve all records and accident reports from the San Bruno incident, as well as all records of work performed by the company or its contractors on Line 132 in the City of San Bruno;
- Review and report the classification of its natural gas transmission lines and determine if the classification has changed since the initial designation;
- Reports immediately to the CPUC on procedures for responding to gas leak reports, and provide specific data on all leak reports and the company's response for a recent period, system-wide, and in the affected area; and

- Investigate and report to the CPUC on the company’s authorized versus actual levels of spending on pipeline safety and pipeline replacements from 2005 to the present.

The company said it would comply fully with any actions directed by the CPUC.

http://docs.cpuc.ca.gov/PUBLISHED/NEWS_RELEASE/123315.htm

http://www.pge.com/about/newsroom/newsreleases/20100912/pge_statement_responding_to_the_cpuc_inspection_order.shtml

Update: Exploded PG&E Pipeline among Thousands of Similarly Aging Pipelines across United States

<http://www.washingtonpost.com/wp-dyn/content/article/2010/09/13/AR2010091305332.html>

Update: PG&E Establishes “Rebuild San Bruno Fund,” Making Available up to \$100 Million for Residents and City of San Bruno to Recover from Fatal September 9 Explosion

http://www.pge.com/about/newsroom/newsreleases/20100913/pge_establishes_rebuild_san_bruno_fund.shtml

Other News

Update: New Rules Slow Pace at Which Government Can Approve Shallow-Water Drilling Plans: BOEMRE Director

New rules have left the Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE) unable “to review and approve applications as expeditiously as we have in the past,” but the agency “will not approve applications until and unless they fully comply with the new requirements,” BOEMRE Director Michael Bromwich said on September 13. “That will not make everyone happy, but it is the right way to proceed,” he said.

<http://www.boemre.gov/ooc/press/2010/press0914.htm>

http://www.rigzone.com/news/article.asp?a_id=98770

Mendota Advanced Bioenergy Beet Cooperative Plans 33.5 MMGal/Yr. Sugar Beet-Based Ethanol Plant in California

The Mendota Advanced Bioenergy Beet Cooperative plans to convert sugar beets into 33.5 MMGal/Yr. of ethanol and 6.3 MW of electricity at a facility in California, according to a news source and a state government website.

The plant is expected to enter service by 2014.

http://www.energy.ca.gov/bioenergy_action_plan/documents/2010-06-03_workshop/presentations/4_Jim_Tischer_Beet_Energy_Mendota.pdf

<http://www.fresnobee.com/2010/09/13/2077136/proposed-valley-plant-could-transform.html>

Vercipia Biofuels Plans 36 MMGal/Yr. Cellulosic Ethanol Plant in Highlands County, Florida

The facility would process energy cane and other grasses. The company expects to break ground in 2011.

http://www.vercopia.com/pdfs/Highlands_FactSheet_080410_FINAL.pdf

Energy Prices

U.S. Oil and Gas Prices			
September 14, 2010			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	77.51	73.45	68.91
\$/Barrel			
NATURAL GAS			
Henry Hub	3.83	3.74	2.94
\$/Million Btu			

Source: Reuters

Storm Knocks Out Power to at Least 14,000 Lincoln Electric System Customers in Nebraska September 13 – Company Restores Power to Nearly All Affected Customers within Hours

http://journalstar.com/news/local/article_d13c515e-bf7e-11df-9127-001cc4c002e0.html

Smaller Nuclear Power Plants Could Be Built Nearer to Population Centers, Therefore Reducing Amount of Electricity Lost in Transmission Process – Existing U.S. Transmission System Saps 4-10 Percent of Generated Power

<http://www.washingtonpost.com/wp-dyn/content/article/2010/09/13/AR2010091304026.html>

Update: Exelon to Remove Tritium-Contaminated Water from Ground near Oyster Creek Nuclear Power Plant in New Jersey

<http://finance.yahoo.com/news/Nuke-plant-owner-to-remove-apf-2976384434.html?x=0&.v=1>

NPPD to Remove and Replace Cooling Tower at 225 MW Sheldon Coal-Fired Power Plant in Hallam, Nebraska

http://www.nppd.com/About_Us/Energy_Facilities/facilities/sheldon.asp

<http://www.nebraska.tv/Global/story.asp?S=13136468>

Lansing Board of Water & Light Reports Small Fire at 350 MW Eckert Power Plant in Michigan September 10 – Fire Extinguished, No Impact to Electric Service

http://www.lbwl.com/aboutbwl_facilities.asp

<http://www.wlns.com/Global/story.asp?S=13135966>

FPL Says it has Spent approximately \$100 Million/Year on Enhancing Power Grid Since 2006

<http://www.nbcmiami.com/news/local-beat/FPL-Trust-Us-Were-Ready-for-the-Next-Hurricane-102814749.html>

NorthWestern Energy Signs Joint Transmission Planning Agreements with Western Area Power Administration – Parties to Explore How Two Projects in U.S. Northwest Might Enhance Western’s Bid to Enable Renewable Energy Development

<http://www.northwesternenergy.com/OurCompany/NewsCenter/displaynews.aspx?Article=6946&item=20>

Update: Chosen Route for Susquehanna-Roseland Power Line Project is the Best for Region and Environment, PSE&G and PPL Electric Utilities Tell National Park Service

<http://www.pseg.com/info/media/newsreleases/2010/2010-09-13.jsp>

Update: State Regulator Backs Permit for Earth Energy Resources’ Oil Sands Project in Utah September 13

<http://www.google.com/hostednews/ap/article/ALeqM5iitY27rhwEWEKkir4FwxZRJmGVUgD9I7B8300>

Explorer Pipeline Reports “Small” Diesel Leak along Inactive Tank Line at Fauna Products Terminal in Houston Texas September 13

Reuters, 10:14 September 14, 2010

“Fuel Gas Imbalance” Leads to Flaring at ConocoPhillips 120,200 b/d Rodeo, California Refinery September 13

<http://www.oes.ca.gov/Operational/MALHaz.nsf/f1841a103c102734882563e200760c4a/3c17383342c811788825779d00797d04?OpenDocument>

Reuters 18:25 September 13, 2010

Power Failure Forces Brief Shutdown of Engines at South Fullerton Booster Station in Texas September 12

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=144735>

Enterprise Products Reports Liquid Accumulation, Operational Restrictions along 30-Inch Natural Gas Pipeline in Texas September 14-17 – Company to Remove Liquids in Bid to Return Line to Normal Service

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=144385>

Global Natural Gas Supplies Could Sustain Current Output for 250 Years: Shell Chief Executive

<http://online.wsj.com/article/BT-CO-20100913-710346.html>

Marcellus Shale Region Could Yield up to 18 Bcf/d of Natural Gas: American Petroleum Institute

http://www.rigzone.com/news/article.asp?a_id=98783

Energy Companies Likely to Face Growing Threat from “Environmental Extremists,” FBI Says in Intelligence Bulletin

<http://www.thepittsburghchannel.com/r/24945359/detail.html>

Attack Causes “Minor Damages” along Yemen LNG Pipeline, but Company Says LNG Output Continues September 13-14

<http://online.wsj.com/article/BT-CO-20100914-704765.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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