



# ENERGY ASSURANCE DAILY

Thursday Evening, November 18, 2010

## ***Electricity***

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### **Update: Watson Cogeneration's 417 MW Watson Gas-Fired Unit in California Ramps up by November 17**

According to the California Independent System Operator, the unit reported a return from an unplanned curtailment of 227 MW.

<http://www.caiso.com/unitstatus/data/unitstatus201011171515.html>

### **Update: AES's 225 MW Huntington Beach Gas-Fired Unit 3 in California Returns to Service by November 17**

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

<http://www.caiso.com/unitstatus/data/unitstatus201011171515.html>

### **TVA's 1,125 MW Sequoyah Nuclear Unit 1 in Tennessee Ramped Up to 17 Percent by November 18**

The Tennessee Valley Authority (TVA) shut the unit on November 16 due to a valve failure, according to the Nuclear Regulatory Commission (NRC). The NRC reported that on the morning of November 17 the unit was not operating.

<http://www.bloomberg.com/news/2010-11-17/u-s-nuclear-output-rises-as-duke-energy-boosts-oconee-1-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/>

### **Update: FPL's 693 MW Turkey Point Nuclear Unit 3 in Florida Ramped Up to 75 Percent by November 18**

FPL shut the unit on November 15 due to the "loss of a circulating water pump" when a separate pump was already offline, the company said in a previous filing with the Nuclear Regulatory Commission (NRC). The NRC reported that on the morning of November 17 the unit was operating at 55 percent.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2010/20101116en.html>

Information also derived from the NRC Power Reactor Status Reports:

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

### **Update: TVA's 1,125 MW Watts Bar Nuclear Unit 1 in Tennessee Ramped Up to 17 Percent by November 18**

The Tennessee Valley Authority (TVA) shut the unit on November 14 due to the "loss of cooling to the 'A' phase Main Bank Transformer," the company said in a previous filing with the Nuclear Regulatory Commission (NRC). The NRC reported that on the morning of November 17 the unit was not operating.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2010/20101115en.html>

Information also derived from the NRC Power Reactor Status Reports:

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

### **Dominion Expects to Close 745 MW Coal-and-Oil-Fired Salem Harbor Power Station in Massachusetts within Five Years**

Dominion expects to shut the plant within five years, but numerous factors, including regulatory changes, reliability issues, and market conditions, could prevent the closure, a company spokesman said. The facility includes three coal-fired Units – the 82 MW Unit 1, the 80 MW Unit 2, and the 150 MW Unit 3 – and a 433 MW oil-fired unit.

<http://marblehead.patch.com/articles/dominion-confirms-plans-to-close-salem-plant>

<http://www.dom.com/about/stations/fossil/salem-harbor-power-station.jsp>

## **First Wind Marks Start of Construction on 102 MW Expansion at Existing 204 MW Milford Wind Power Project in Utah November 17**

First Wind broke ground on the 102 MW Milford Wind Phase II project over the summer, and poured foundations in October 2010, but held a ceremony to commemorate the start of construction on November 17, it said in a press release. The company opened the 204 MW Milford I project in November 2009.

<http://www.firstwind.com/news/press-release-first-wind-marks-start-construction-milford-ii-project>

## **Emera, Nalcor Energy Plan 824 MW Muskrat Falls Hydroelectric Power Project along Lower Churchill River in Newfoundland and Labrador**

Emera and Nalcor Energy plan to deliver electricity from the 824 MW Muskrat Falls hydroelectric power project to customers in Newfoundland and Labrador, the Maritime Provinces, and New England states. Specifically, Nalcor plans to build generating facilities along the Lower Churchill River, and Emera and Nalcor plan to jointly develop transmission to deliver the electricity. Nova Scotia Power is expected to develop agreements with Nalcor to build subsea transmission between Newfoundland and Nova Scotia. Muskrat Falls marks the first phase of what Nalcor referred to as the Lower Churchill River hydroelectric development. Nalcor said it does not expect construction to begin on the second phase – the 2,250 MW Gull Island project – until several years after Muskrat Falls.

<http://www.emera.com/en/home/mediacentre/recentnews/2010/newsreleasedetails.aspx?SourceParams=reqid-1498210>

<http://www.nalcorenergy.com/assets/news%20release%20-%20lower%20churchill%20project%20to%20become%20a%20reality%2011.18.2010.pdf>

<http://www.reuters.com/article/idUSN1828135720101118>

## ***Petroleum***

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### **Leak Forces Shut Shell's 325,000 b/d Louisiana-to-Texas Ho-Ho Pipeline System November 16 – Line Remains Shut, as of Latest Reports**

Shell's 325,000 b/d Ho-Ho pipeline system remained shut early on November 18, two days after the line leaked an unknown quantity of crude oil into an "undeveloped area," in Louisiana, the company said. The system runs from Houma, Louisiana, to Houston, Texas; it delivers crude to refineries in Texas and Louisiana. Shell said there were "no reports of any injuries or health impact to people, impacts to wildlife or the Intercoastal Waterways." It was unclear if the shutdown had impacted production at any of the associated refineries.

<http://www.bloomberg.com/news/2010-11-18/shell-shut-houma-to-houston-oil-pipeline-after-leak-update1-.html>

### **Update: Citgo Restarts FCC at 167,000 b/d Lemont, Illinois Refinery November 17**

Citgo restarted a gasoline-producing fluid catalytic cracking unit (FCC) at its 167,000 b/d Lemont, Illinois refinery, it said in a regulatory filing. The unit shut after a November 3 fire.

Reuters, 00:23 November 18, 2010

<http://tier2.iema.state.il.us/FOIAHazmatSearch/HazmatDetails.aspx?RptNum=H-2010-1269>

### **Small Fire Extinguished at Gibson Energy's Oil Terminal in Alberta, Canada November 17**

The fire occurred in a crude oil tank; the affected tank had been shut and emptied for routine maintenance, prior to the incident. There were no injuries, but the company shut the terminal as a precaution. It did not expect the incident to have any material business interruption impacts.

<http://www.gibsons.com/Doc/edmontonterminal.pdf>

### **Gas Release Leads Chevron to Shut 32,000 b/d Alba Oil Field in U.K. North Sea November 17**

There were no injuries but the field remained offline, as of latest reports.

<http://www.bloomberg.com/news/2010-11-18/chevron-shuts-alba-north-sea-oil-field-after-emergency-natural-gas-release.html>

<http://www.offshore-technology.com/projects/alba/>

### **Global Oil Supply to Outpace Demand by about 800,000 b/d in 2011: OMI Forecast**

Supply outpaced demand by 500,000 b/d in October 2010, according to Oil Market Intelligence (OMI).

<http://www.energyintel.com/#latest>

## **Ecopetrol, Pacific Rubiales Subsidiary Launch Production Facilities at Rubiales and Quifa Fields in Colombia – Facilities to Boost Fields’ Combined Output by 100,000 b/d**

Meta Petroleum Ltd., a subsidiary of Pacific Rubiales Energy, and Ecopetrol S.A. opened a CPF2 crude treatment facility at the Rubiales field and a CPF treatment facility at the Quifa field in Colombia, the companies said on November 17. The facilities are expected to boost production by 70,000 b/d at the Rubiales field – bringing the field’s production to 170,000 b/d by the end of 2010 – and by 30,000 b/d at the Quifa field.

<http://www.ecopetrol.com.co/english/contenido.aspx?conID=45725&catID=382>

## **Citing Inability to Secure Contracts, Noble Corp Sends 10 Rigs to Shipyard by November 17**

Noble now has a total of 12 rigs “stacked” or out of commission out of its total of 65 rigs.

Reuters, 19:47 November 17, 2010

## **Natural Gas**

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### **National Fuel Subsidiaries Launch Open Seasons for Natural Gas Pipeline Expansions in Marcellus Shale, Pennsylvania**

National Fuel Gas Supply Corporation and Empire Pipeline, subsidiaries of National Fuel Gas Company, yesterday announced two Open Seasons for natural gas pipeline projects in the Marcellus Shale, Pennsylvania. Empire, through its Open Season 008, is offering capacity along its Tioga County Extension Phase 2 (TCE2) Project. That project is expected to provide about 260,000 Dth/d of transportation capacity; it would include two new compressor stations, about 25 miles of 24-inch or 30-inch pipeline, and other enhancements along Empire’s existing systems. Empire expects to open TCE2 as soon as September 1, 2013. National Fuel Gas Supply Corporation (Supply), through its Open Season 167, is offering an additional 45,000 Dth/d of transportation capacity along its previously-announced Line N Phase II expansion project. The Line N Phase II project is expected to enter service on September 1, 2011. It would have a maximum capacity of 195,000 Dth/d, and would include new compression and about six miles of pipeline replacement.

<http://www.nationalfuelgas.com/news/11-17-10%20NFG%20Announces%20Open%20Seasons%20-%20WEB11172010-161441.pdf>

### **Meritage Midstream Services Completes 40 MMcf/d, 12-Inch, 14.5-Mile Natural Gas Pipeline in Texas by November 18**

The line is an extension of Meritage’s Eagle Ford Escondido Gathering System in Webb County, Texas. The company is also constructing a 10.5-mile, 16-inch extension to the southeast; that line is expected to enter service in early 2011.

[http://www.marketwatch.com/story/meritage-midstream-services-completes-natural-gas-pipeline-in-the-eagle-ford-shale-2010-11-18?reflink=MW\\_news\\_stmp](http://www.marketwatch.com/story/meritage-midstream-services-completes-natural-gas-pipeline-in-the-eagle-ford-shale-2010-11-18?reflink=MW_news_stmp)

### **U.S. Natural Gas Stockpiles Surge to Record 3.843 Tcf in Week Ended November 12: EIA**

Natural gas for December delivery slid 3.8 percent on the New York Mercantile Exchange (NYMEX) after the Energy Information Administration (EIA) reported that natural gas stockpiles rose 3 Bcf to a record 3.843 Tcf in the week ended November 12.

DJN, 11:02 November 18, 2010

## **Other News**

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### **Praxair Opens 200 MMcf/d Hydrogen Facility in Indiana by November 17**

The company is supplying hydrogen to BP’s refinery complex in Whiting, Indiana. BP uses hydrogen to produce ultra-low-sulfur gasoline and diesel fuels.

<http://www.praxair.com/praxair.nsf/AllContent/C388D8DEF85A3601852577DE00547DD9?OpenDocument>

## Energy Prices

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<b>U.S. Oil and Gas Prices</b> November 18, 2010			
	<b>Today</b>	<b>Week Ago</b>	<b>Year Ago</b>
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	82.19	87.68	78.86
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	3.77	3.76	3.47

Source: Reuters

## Energy Notes

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**Barge from Hovensa Refinery in St. Croix, U.S. Virgin Islands Unable to Offload Oil at V.I. Water and Power Authority's Randolph E. Harley Power Plant November 15 – Oil Was Too Thick, but Plant Has Enough Reserves to Maintain Power Production, WAPA Spokeswoman Says**

<http://www.istockanalyst.com/article/viewiStockNews/articleid/4679068>

**Compressor Snag Leads to Flaring at Chevron's 257,200 b/d Richmond, California Refinery November 18**

<http://www.oes.ca.gov/Operational/MALHaz.nsf/f1841a103c102734882563e200760c4a/6dfc2cc5a1a81abb882577df004b60b5?OpenDocument>

<http://www.businessweek.com/news/2010-11-18/chevron-richmond-refinery-flares-after-compressor-loss.html>

**ExxonMobil to Pay \$25 Million in Settlement over Underground Oil Spills from Now-Shuttered Oil Refineries**

<http://newyork.cbslocal.com/2010/11/17/exxon-pays-25m-in-brooklyn-oil-spill-settlement/>

**Nigerian Military Releases 19 Hostages in Rivers State, Nigeria by November 18**

[http://www.rigzone.com/news/article.asp?a\\_id=101378](http://www.rigzone.com/news/article.asp?a_id=101378)

**Compressor Shuts, Restarts at Waha Gas Plant in Texas November 17**

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=147496>

**In Bid to Reduce Risk of Explosion, New MSHA Rules to Force Underground Coal Mines to Increase Quantity of Rock Dust, Beginning November 22**

[http://www.wkyt.com/wymtnews/headlines/MSHA\\_108580394.html](http://www.wkyt.com/wymtnews/headlines/MSHA_108580394.html)

**NRG Energy to Launch Comprehensive Electric Vehicle Ecosystem in Houston, Texas as Start of Rollout across State in 2011 – Company to Invest More than \$10 Million in Public Charging Station Infrastructure throughout Houston**

[http://phx.corporate-](http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9NzE0NTF8Q2hpbGRJRD0tMXxUeXBIPtM=&t=1)

[ir.net/External.File?item=UGFyZW50SUQ9NzE0NTF8Q2hpbGRJRD0tMXxUeXBIPtM=&t=1](http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9NzE0NTF8Q2hpbGRJRD0tMXxUeXBIPtM=&t=1)

## Links

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***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](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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