



ENERGY ASSURANCE DAILY

Wednesday Evening, November 24, 2010

Electricity

Update: Nearly 25,000 PSE Customers Remain without Power in Washington November 24

Nearly 25,000 Puget Sound Energy (PSE) customers remained without power in Washington on November 24, after storms knocked out power to more than 130,000 customers (among PSE and other utilities) in Washington and British Columbia on November 22-23. To see a full list of the affected utilities, please see yesterday's Energy Assurance Daily.

<http://www.pse.com/safetyReliability/pservicealert/Pages/LatestUpdates.aspx>

<http://sam.pse.com/TextView.aspx>

New Winter Storm Cuts Power to Additional PG&E Customers in California November 23 – Company Reports More than 25,000 Customers in the Dark

A winter storm knocked out power to Pacific Gas & Electric (PG&E) customers on November 23 as the company worked to restore service to those affected by weekend storms. PG&E reported 25,240 customers without power on November 23.

<http://www.mymotherlode.com/news/local/1180545/Power-Outages-Increase.html>

Update: Entergy's 951 MW Indian Point Nuclear Unit 2 in New York Ramped Up to 23 Percent by November 24

That plant shut automatically on November 7 after a transformation explosion, the company said in a previous filing with the Nuclear Regulatory Commission (NRC). The NRC reported that on the morning of November 23 the unit was not operating.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2010/20101108en.html>

Information derived from the NRC Power Reactor Status Reports:

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

Update: PG&E's 1,150 MW Diablo Canyon Nuclear Unit 1 in California Ramps up by November 23

According to the California Independent System Operator, the unit reported a return from an unplanned curtailment of 150 MW.

<http://www.caiso.com/unitstatus/data/unitstatus201011231515.html>

Update: Entergy's 966 MW River Bend Nuclear Unit 1 in Louisiana at Full Power by November 24

The Nuclear Regulatory Commission reported that on the morning of November 23 the unit was operating at 87 percent.

Information derived from the NRC Power Reactor Status Reports:

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

Horizon Wind Plans nearly 250 MW of Wind Power Capacity in Paulding County, Ohio

Paulding Wind Farm II, LLC, a subsidiary of Horizon Wind Energy, plans to construct two wind farms in Paulding County Ohio. The 98-turbine Timber Road II wind farm would produce up to 150.4 MW of power, and a separate, 55-turbine farm would produce up to 99 MW of power. Paulding Wind expects to break ground on the larger project in December 2010; the smaller project is scheduled to begin commercial operations by mid-summer 2011.

<http://www.farmanddairy.com/news/siting-board-approves-construction-of-wind-farm-in-paulding-county/17927.html>

http://wind.energy-business-review.com/news/aep-ohio-to-purchase-energy-from-paulding-wind-farm-ii_241110

http://www.tradingmarkets.com/news/press-release/aep_american-electric-power-co-aep-ohio-signs-long-term-pact-to-purchase-wind-energy-from-horizon-wind-1327163.html

Salazar Launches Initiative to Speed Offshore Wind Energy Development off U.S. Atlantic Coast November 23

Yesterday Secretary of the Interior Ken Salazar launched a wind energy initiative for the Atlantic Outer Continental Shelf – ‘Smart from the Start’ – to facilitate siting, leasing, and construction of new projects. Under the initiative, the Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE) will work with state partners to identify Wind Energy Areas (WEAs) off the coasts of a number of Atlantic states, including Maryland, Delaware, New Jersey, Virginia, Rhode Island, and Massachusetts within the next 60 days. By January 2011, Requests for Interest and Calls for Information will be issued for these new WEAs to support lease sale environmental assessments. BOEMRE will assist in developing site assessment data and evaluating potential WEA leasing. In January 2011, it will initiate a NEPA environmental assessment to evaluate the potential impacts associated with site activities in identified WEAs. If no significant impacts are identified, BOEMRE would offer leases in these areas by the end of 2011/early 2012. BOEMRE will also move, on a parallel track, to process applications to build offshore transmission lines.

<http://www.doi.gov/news/pressreleases/Salazar-Launches-Smart-from-the-Start-Initiative-to-Speed-Offshore-Wind-Energy-Development-off-the-Atlantic-Coast.cfm>

Ontario to Invest \$85 Billion in Bid to Increase Nuclear and Renewable-Based Supplies, Shutter Coal-Fired Facilities

The province of Ontario, Canada plans to increase its nuclear-and-renewable-based power capacity over the next two decades, and reduce its coal-fired power fleet, according to its 20-year energy plan. Specifically, the province plans to:

- Construct at least two new nuclear power plants and revamp another 10;
- Close all coal units by 2014 and fast-track the closure of two more in 2011, three years ahead of schedule;
- Increase the province's renewable-based power supply to 13 percent by 2018, from 3 percent at present;
- Derive more hydroelectric-based power from Niagara Falls and the Lower Mattagami River;
- Move forward immediately with five priority transmission projects;
- Save 7,100 MW of power through conservation measures.

<http://www.bloomberg.com/news/2010-11-23/ontario-to-spend-85-billion-to-boost-use-of-nuclear-wind-solar-energy.html>

<http://www.news.ontario.ca/mei/en/2010/11/energy-news-release-november-23-2010.html>

Petroleum

Magellan Midstream Reports Spot ULSD and Heating Oil Outages across U.S. Midwest

Magellan Midstream Partners LP is seeing spot outages of ultra-low sulfur diesel and No.1 heating oil across parts of its U.S. Midwest system, but has sufficient supplies at its bigger terminals, a company spokesman said on November 24. Lower temperatures have, in recent days, caused a spike in heat demand, according to Reuters. Reuters, 12:22 November 24, 2010

Update: After Leak, Shell Restarting 360,000 b/d Louisiana-to-Texas Ho-Ho Oil Pipeline System at Reduced Pressure November 23

Shell received approval from the U.S. Department of Transportation's (DOT) Pipeline and Hazardous Materials Safety Administration (PHMSA) to restart its 360,000 b/d Houma, Louisiana-to-Houston, Texas Ho-Ho oil pipeline system, and operators began that restart process by November 23, a company spokesman said. A leak forced Shell to shut the line on November 16. The line spilled about 1,030 barrels of oil, according to a federal official. The PHMSA issued Shell a "corrective action order" that would require the company to, among other things, restart the line at a lower pressure. The Ho-Ho system transports crude to refineries in Texas and Louisiana. It is not clear if the shutdown impacted any of the facilities.

<http://www.bloomberg.com/news/2010-11-22/shell-hopes-to-start-pipe-tomorrow-official-says-update1-.html>

<http://www.bloomberg.com/news/2010-11-24/shell-starting-houma-to-houston-crude-oil-pipeline-update2-.html>

Update: Enbridge to Restart 290,000 b/d, Indiana-to-Ontario Lakehead System Line 6B November 25

Enbridge expected to restart its 290,000 b/d, 30-inch, Indiana-to-Ontario Lakehead System Line 6B on November 25, it said yesterday. The November 25 restart would be one day later than the company had previously estimated. Enbridge discovered four anomalies along the line last week. It halted flows on November 17 to excavate and inspect the line. Market sources had expected Enbridge to restart the line sooner. One analyst said previously that the shutdown would not have a "big impact on refiners," so long as the line resumed flows on November 24. It was not clear if the one-day setback would impact that projection.

<http://www.reuters.com/article/idUSN2317396220101123>

http://www.calgaryherald.com/business/Enbridge+pipeline+Line+resume+operations+Wednesday/3867972/story.html?cid=megadrop_story

Leak Forces Shut Sunoco's 27,000 b/d, 10-Inch Amdel Oil Pipeline in Texas over Weekend – Line Remains Shut November 23

Sunoco Logistics shut the line after it leaked crude near Huntsville, Texas on November 20, a company spokesman and a spokeswoman with the Texas Railroad Commission said. The line delivers crude westward, from Nederland to Midland, Texas. Sources conflicted as to the size of the spill: the Railroad Commission spokeswoman referred to it as about 100 barrels, but the spokesman estimated the size at 30 barrels. He said the company was investigating the incident, and had not restarted the line, as of November 23.

<http://af.reuters.com/article/energyOilNews/idAFN2321364320101123>

ExxonMobil Extinguishes Fire at 344,500 b/d Beaumont, Texas Refinery November 24

A small fire occurred in a processing area at ExxonMobil's 344,500 b/d Beaumont, Texas refinery on November 24, but the company had nearly extinguished the blaze within 30 minutes, a local news source said. It was not clear if the incident had any impact on production.

<http://af.reuters.com/article/energyOilNews/idAFWNAB505120101124>

Fire Controlled at LyondellBasell's 268,000 b/d Houston, Texas Refinery November 23

A "small fire" occurred after "a leak during the restart of a process unit" at LyondellBasell's 268,000 b/d Houston, Texas refinery on November 23, but the fire was brought under control and there were no injuries, a company spokesman said. The company was, at the time of the incident, restarting units after a weekend, plant-wide shutdown. The spokesman said it was too soon to say if the incident would impact the restart of the affected unit, but that "the rest of the restart at the refinery is going on."

<http://www.bloomberg.com/news/2010-11-23/lyondell-s-houston-plant-has-fire-as-unit-restarts-update1-.html>

ConocoPhillips Reduces 102,000 b/d FCC at 247,000 b/d Belle Chasse, Louisiana Refinery by November 23

ConocoPhillips reduced a 102,000 b/d gasoline-producing fluid catalytic cracking unit (FCC) to 60 percent capacity, and may have to shut the unit due to issues with an associated alkylation unit, according to sources familiar with the facility's operations. The company is fixing an exchanger related to the alkylation unit; it reduced the FCC because it was running low on storage space for the FCC's production.

<http://www.bloomberg.com/news/2010-11-23/conoco-said-to-run-louisiana-catalytic-cracker-at-lower-rates.html>

ExxonMobil Restarting Unit at 238,600 b/d Joliet, Illinois Refinery November 23

ExxonMobil flared gases as it restarted a unit at its 238,600 b/d Joliet, Illinois refinery on November 23, the company said in a filing with state regulators. It was not clear which unit the company was restarting.

<http://tier2.iema.state.il.us/FOIAHazmatSearch/HazmatDetails.aspx?RptNum=H-2010-1286>

Power Outage Shuts Units at ExxonMobil's 149,500 b/d Torrance, California Refinery November 24

A third-party power failure forced shut some units at ExxonMobil's 149,500 b/d Torrance, California refinery early on November 24, but power was back by late morning and the company returned the affected units to normal rates by mid-morning, a refinery spokeswoman said. The spokeswoman did not say which units were impacted.

Reuters, 10:09 November 24, 2010

<http://www.oes.ca.gov/Operational/MALHaz.nsf/f1841a103c102734882563e200760c4a/dbef9b4f30c453ac882577e5004c3881?OpenDocument>

Update: Whiting Petroleum Caps Leak, Shuts-in Well in Mountrail County, North Dakota by November 23

Whiting Petroleum shut in and secured its Roggenbuck 14-25H well in Mountrail County, North Dakota by North Dakota, days after the well began leaking fluids. The company immediately shut operations at the well after a valve failure caused the well to spill water, oil, and natural gas on November 20-22, it said in multiple releases. Whiting said previously that it was containing and hauling away the liquids. Responders had hauled approximately 5,630 barrels of water and 420 barrels of oil to a disposal facility, as of early on November 22

http://phx.corporate-ir.net/phoenix.zhtml?c=147759&p=irol-newsArticle_Print&ID=1500036&highlight=
http://phx.corporate-ir.net/phoenix.zhtml?c=147759&p=irol-newsArticle_Print&ID=1499281&highlight=
http://phx.corporate-ir.net/phoenix.zhtml?c=147759&p=irol-newsArticle_Print&ID=1499045&highlight=

Update: New Federal Report Largely Confirms Government's Previous Estimates of Fate of Oil Spilled from Deepwater Horizon Well in Gulf of Mexico

Federal scientists released a peer-reviewed report on November 23 that, for the most part, confirmed the federal government's previous estimates of the short-term fate of the oil discharged from the Deepwater Horizon wellhead. Numerous independent analysts regarded the government's early-August estimates of the spilled oil's fate as overly optimistic, but the federal scientists' latest report largely confirmed those findings. Specifically, the scientists determined that by late summer, 17 percent of the oil was directly recovered, 5 percent was burned, 3 percent was skimmed, 16 percent was chemically dispersed, 13 percent was naturally dispersed, 23 percent was evaporated or dissolved, and 23 percent of residual oil remained in the Gulf of Mexico. Most of those numbers were either unchanged or not changed significantly from the August estimations. The most significant change, however, was the doubling of the expected amount of oil classified as "chemically dispersed," from 8 percent to an estimated 16 percent.

http://www.noaanews.noaa.gov/stories2010/20101123_oilbudget.html

http://www.nytimes.com/2010/11/24/science/earth/24spill.html?_r=2&ref=us

Natural Gas

ENSTOR Expands Natural Gas Storage Facilities in Mississippi and New Mexico by November 23

ENSTOR expanded natural gas storage capacity at separate facilities in Mississippi and New Mexico, it said on November 23. Specifically, the company:

- Boosted storage capacity from 16.9 Bcf to 22.0 Bcf at its Caledonia facility in Lowndes County, Mississippi; and
- Increased storage capacity by more than 2 Bcf – to a total of more than 9.5 Bcf – at its Grama Ridge facility in Lea County, New Mexico. The company plans to finish a pipeline interconnect at Grama Ridge by the end of the year; the interconnect will provide an incremental 35,000 MMBtu/d of access to Permian and Midcontinent and supply basins, and could be expanded to 150,000 MMBtu/d, depending on demand.

<http://www.businesswire.com/news/home/20101123006908/en/ENSTOR-Announces-Expansions-Key-Gas-Storage-Facilities>

CPUC to Hire Four Natural Gas Pipeline Safety Inspectors in California

The California Public Utilities Commission (CPUC) plans to hire four new natural gas pipeline safety inspectors "without delay," it said in a letter on November 23. The decision follows legislators' concerns, in the wake of the fatal September explosion along PG&E's natural gas pipeline in San Bruno, that the state was short-staffed on inspectors.

<http://www.sfgate.com/cgi-bin/article.cgi?f=%2Ffc%2Fa%2F2010%2F11%2F24%2FBA801GGRPC.DTL>

Other News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices			
November 24, 2010			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	83.00	80.69	74.13
NATURAL GAS Henry Hub \$/Million Btu	3.93	3.66	3.79

Source: Reuters

Energy Notes

Update: Los Angeles County Board of Supervisors Approves First Solar's Proposed 230 MW Solar Power Plant in Antelope Valley, California by November 24 – Board Rejects Northrop Grumman Corp's Objection Over Potential Disruption to Radar Testing Facility
Reuters, 12:09 November 24, 2010

Kind Morgan Fixes Leak, Restarts 20-Inch, Watson-Colton Oil Products Pipeline in California by November 24 – Company Reports no Customer Impact
DJN, 12:05 November 24, 2010

Global Floating Oil Storage Likely to Completely Dissipate by Second Quarter 2011: BP Chief Economist
<http://english.capital.gr/News.asp?id=1092957>

Engine Shutdown Leads to Flaring at West Credo Booster Station in Texas November 23
<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=147746>

State DEP Investigating Drilling Wastewater Leak at XTO Energy's Natural Gas Well in Lycoming County, Pennsylvania – ExxonMobil, XTO's Parent Company, Estimates Leak Size at 2,400 Gallons, but DEP Spokesman Says XTO Informed Agency that More than 13,000 Gallons Had Spilled
<http://www.stargazette.com/article/20101123/NEWS01/11230372/1113/Spill-probed-at-Pa.-natural-gas-site>

After Two Unscheduled Ignitions during November at Massey Energy's Twilight MTR Surface Coal Mine in Boone County, West Virginia, MSHA Cites Massey Energy for "Imminent Danger"
<http://wvgazette.com/News/201011220815>

DOE Offers Vehicle Production Group LLC nearly \$50 Million Conditional Loan Commitment to Support Development of New Wheelchair-Accessible, Compressed Natural Gas-Powered Car
<http://www.energy.gov/news/9820.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

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<http://www.oe.netl.doe.gov/ead.aspx>

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