



ENERGY ASSURANCE DAILY

Tuesday Evening, December 13, 2011

Electricity

Update: Bruce Power Cancels Plans to Develop 4,000 MW Nuclear Plant in Alberta

Bruce Power had been considering the project since late 2007 when it acquired Energy Alberta Corp., which had taken steps to begin developing a site for up to two 1,100 MW reactors in Peace County, Alberta. In March 2008, Bruce Power filed an application with the Canadian Nuclear Safety Commission seeking approval to prepare a site in Peace County that could generate 4,000 MW of electricity from two to four reactors.

<http://www.brucepower.com/4978/news/bruce-power-will-not-proceed-with-nuclear-option-in-alberta/>

<http://www.platts.com/RSSFeedDetailedNews/RSSFeed/ElectricPower/8692330>

<http://www.brucepower.com/3715/news/news-archive-2008/ew-plant-a-potential-boost-for-peace-country/#more-3715>

Fluor to Provide EPC Services for Proposed 3,500 MW HVDC Plains & Eastern Clean Transmission Line from Oklahoma, Texas, and Kansas to U.S. Southeast

Fluor Corporation announced today that it has signed a memorandum of understanding (MOU) with Plains and Eastern Clean Line LLC (Clean Line), an affiliate of Clean Line Energy Partners LLC, to provide development support, preliminary engineering, procurement, and construction (EPC) services for the proposed Plains & Eastern Clean Line project, which is an 800-mile high-voltage direct current (HVDC) transmission line from Oklahoma to Tennessee and is currently in the development and permitting stages. The Plains & Eastern Clean Line will consist of approximately 800 miles of overhead HVDC transmission lines that will deliver 3,500 MW of power from Oklahoma, Texas, and Kansas to the southeastern United States. The project is expected to take several years to fully permit and could begin commercial operations as early as 2017.

<http://investor.fluor.com/phoenix.zhtml?c=124955&p=newsarticle&id=1639087>

Luz Solar Partners's Aggregate 184 MW Units 8-9 in California Shut by December 12

The units reported an unplanned outage by December 12.

<http://content.aiso.com/unitstatus/data/unitstatus201112121515.html>

Petroleum

Bulldozer Strikes Two Magellan Midstream Pipelines in Nebraska December 9, Spills 252,000 Gallons of Diesel Fuel and Gasoline; Magellan Restores Service December 12

Two broken pipelines (one 8-inches in diameter, the other 12-inches) spilled 252,000 gallons of diesel fuel and gasoline in southeast Nebraska during the weekend after a landowner on a bulldozer struck the pipelines while digging near a small creek. Pipeline operator Magellan Midstream Partners shut down the pipelines Saturday after control room operators noticed a drop in pressure. The company repaired the pipelines by Monday afternoon, containing the spill, and resuming shipments through the pipelines that day. The affected pipeline system starts in Kansas City, Kansas, and runs north, a spokesman said Monday, but declined to comment on the current operating rates of those lines. Magellan is working with federal and state officials to investigate the breach, which caused the biggest spill in Nebraska in over ten years, according to data from the U.S. Pipeline and Hazardous Materials Safety Administration. A Magellan spokesman said the company is now working with the Nebraska Emergency Management Agency (NEMA) to clean up the contaminated soil, though he wasn't able to predict how long it will take. A NEMA spokesman said it doesn't appear that groundwater in the area has been contaminated. No related injuries or evacuations were reported.

http://www.cbsnews.com/8301-505245_162-57341782/southeast-neb-fuel-pipeline-breaks-repaired/

<http://www.bloomberg.com/news/2011-12-12/magellan-expects-nebraska-pipeline-return-to-service-today-1-.html?cmpid=yhoo>

Compressor Trip Leads to Flaring from Several Process Units at Motiva's 285,000 b/d Port Arthur, Texas Refinery December 12

Motiva reported that its Flare Gas Recovery 1 compressors tripped off on high-discharge pressure, resulting in flaring from the refinery's fluid catalytic cracking units (FCCUs) 1 and 2, hydrocracking unit (HCU) 1, hydrotreating unit (HTU) 4, and an alkylation unit. Operators cleared the compressors and reset them for use. <http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=162709>

Brief Power Outage Leads to Flaring at Valero's 310,000 b/d Port Arthur, Texas Refinery December 12

Valero Energy Corp. reported a 10-minute power outage Monday night that resulted in sulfur dioxide and hydrogen sulfide releasing from the flare, according to a filing with the U.S. National Response Center. The release was secured and an investigation is underway, according to the filing. http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=997937

Houston Refining Reports Unit Upset at Its 270,600 b/d Houston, Texas Refinery December 10

Houston Refining reported an upset on its 435 Tail Gas Unit on Saturday morning, according to a filing with the Texas Commission on Environmental Quality. Operators made adjustments to bring the emissions within permit limits. <http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=162698>

Suncor and Gulfsands Petroleum Declare Force Majeure on Oil & Gas Production, Suspend Operations in Syria Following EU Sanctions

Suncor Energy reported December 11 that it has declared force majeure under its contractual obligations and is suspending its operations with the General Petroleum Corporation (GPC) in Syria. These actions are taken as a result of sanctions on Syria announced by the European Union (EU) on December 2. Suncor is not changing total production guidance (for 2011 or 2012), because Libyan production is ramping up and was not included in the existing guidance. Suncor's primary asset in Syria is the Ebla development, which produces about 80 MMcf/d and approximately 1,000 b/d of oil. Gulfsands Petroleum Plc announced December 12 that it too has declared force majeure on its commitments and will disengage in funding activities connected with the production, delivery, or sale of crude oil from its Block 26 fields in Syria in response to EU sanctions. Block 26 has two producing oil fields, Khurbet East and Yousefieh, which have an average gross production rate of 21,500 b/d and 2,600 b/d, respectively. Gulfsands working interest reserves in Syria at the end of 2010 were 53.6 million barrels.

<http://www.suncor.com/en/newsroom/2418.aspx?id=1541093>

<http://www.suncor.com/en/about/3988.aspx>

<http://www.gulfsands.com/s/NewsReleases.asp?ReportID=495930>

<http://www.gulfsands.com/s/Syria.asp>

Natural Gas

El Paso Shuts 1.5 Bcf/d Ruby Natural Gas Pipeline Due to Fire in Utah December 10

El Paso Corp. reported in a web posting Monday that it shut the Ruby Pipeline, which moves natural gas from western supply basins to markets in the U.S. West Coast, on Saturday due to a fire that broke out on the line in Cache County, Utah. The company declared a force majeure on the pipeline Saturday night when it determined the fire had damaged ancillary equipment connecting to one of 42 main valves on the pipeline, which has a peak production capacity of 1.5 Bcf/d. The fire dissipated Sunday when all the gas had burned off. An El Paso spokesman said Monday the company has re-routed some gas supplies for its customers but declined to specify how much. The earliest it could restore service on the line is Wednesday, the spokesman said.

Reuters, 11:42 December 13, 2011

<https://research.tdwaterhouse.ca/research/public/Markets/CommoditiesNews?documentKey=1314-L1E7ND43V-1>

<http://ebb.cigco.com/ebbmastertpage/Notices/NoticesAutoTable.aspx?code=RUBY&name=Critical%20Notices&status=Notice&sParam2=C&sParam14=S>

Enterprise Reports Leak from Its 20-Inch Natural Gas Pipeline in Karnes County, Texas December 11

Enterprise Products Operating LLC reported Sunday night a release of sweet natural gas from its 20-inch pipeline due to unknown reasons, according to a filing with the Texas Commission on Environmental Quality. Operators immediately shut the nearest block valves, and Enterprise is investigating to determine the cause.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=162707>

Cheniere Energy and GAIL India Sign Agreement to Export 0.5 Bcf/d from Sabine Pass LNG Terminal in Louisiana

Cheniere Energy Partners, L.P. announced Sunday that its subsidiary, Sabine Pass Liquefaction, LLC, has signed a sale and purchase agreement (SPA) with GAIL (India) Limited to sell 3.5 million tonnes per annum (mtpa), or roughly 0.5 Bcf/d, of liquefied natural gas (LNG) from train four of Cheniere's proposed LNG export facility at the Sabine Pass Terminal in Louisiana. Sabine Liquefaction recently announced that it has reached its targeted annual contract quantity of 7 mtpa for the first phase and is advancing towards making a final investment decision for the development and construction of two liquefaction trains. The SPA with GAIL represents the first contract for the second phase of the project, which will also include two liquefaction trains with combined production capacity of 9 mtpa. Prior to the commencement of train four operations, GAIL will purchase bridge volumes of approximately 0.2 mtpa upon the commencement of operations of train two. Delivery of the bridge volumes are to occur with the commencement of operations of train two, which is expected in 2016 and deliveries from train four are to occur upon commencement of its operations, which is expected as early as 2017. Cheniere owns the 4 Bcf/d Sabine Pass LNG receiving terminal located on the Sabine Pass Channel in western Cameron Parish, Louisiana and is developing a project to add liquefaction and export capabilities to the existing infrastructure.

<http://phx.corporate-ir.net/phoenix.zhtml?c=101667&p=irol-newsArticle&ID=1638424>

Encana Refutes U.S. EPA Pavillion Groundwater Report, Cites Data from Domestic Water Wells that Show No Impacts from Oil and Gas Development

Encana Corporation strongly disagrees with the U.S. Environmental Protection Agency's (EPA) recent draft report related to the groundwater study in the Pavillion natural gas field of Wyoming, according to a news release Monday, and claims the agency's findings are not factual and serve only to trigger undue alarm. Encana argues that the EPA's data from two deep wells the EPA constructed itself, of depths of about 775 and 970 feet, are radically different than those in the domestic water wells (typically less than 300 feet deep). The EPA's data from existing domestic water wells aligns with all previous testing done by Encana in the area and shows no impacts from oil and gas development. The news release cites numerous other discrepancies in the EPA's approach, data, and analysis and calls for a qualified third-party review.

<http://www.encana.com/news/newsreleases/2011/1212-why-encana-refutes-epa-pavillion-report.html>

Other News

Tanker-Cargo Vessel Collision Shuts Houston Ship Channel Indefinitely December 13

The U.S. Coast Guard says it is unsure when the Houston Ship Channel near Texas City will reopen after a tanker and a cargo vessel collided in the key oil waterway on Tuesday, according to a spokesman. The collision did not spill any oil or chemicals, the spokesman said.

Reuters, 10:29 December 13, 2011

Reuters, 10:53 December 13, 2011

<http://www.chron.com/news/article/Houston-Ship-Channel-2-ships-collide-nobody-hurt-2399273.php>

Energy Prices

U.S. Oil and Gas Prices			
December 13, 2011			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	99.98	101.08	88.42
NATURAL GAS Henry Hub \$/Million Btu	3.13	3.38	4.55

Source: Reuters

Energy Notes

Nothing to report

Links

This Week in Petroleum from the U.S. Energy Information Administration (EIA)

<http://www.eia.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.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://www.eia.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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