



U.S. DEPARTMENT OF ENERGY
Office of Electricity Delivery and Energy Reliability
Infrastructure Security and Energy Restoration

ENERGY ASSURANCE DAILY

Wednesday Evening, December 15, 2010

Electricity

Update: Dominion's 871 MW Millstone Nuclear Unit 2 in Connecticut Ramped Up to 82 Percent by December 15

Dominion reduced the unit to fix two tube leaks over the weekend, according to a local news source. The Nuclear Regulatory Commission reported that on the morning of December 14 the unit was operating at 54 percent.

<http://www.theday.com/article/20101214/BIZ02/312149923/1044>

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 25 Percent by December 15

The Nuclear Regulatory Commission reported that on the morning of December 14 the unit was operating at 50 percent.

Information derived from the NRC Power Reactor Status Reports:

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

Update: Indiana-Michigan Power's 1,000 MW D.C. Cook Nuclear Unit 1 in Michigan Ramped Up to 65 Percent by December 15

The unit slipped to 49 percent capacity on December 13 after workers "manually started all Auxiliary Feedwater (AFW) pumps in response to a loss of the Unit 1 East Main Feedwater Pump," the company said in an earlier filing with the Nuclear Regulatory Commission (NRC). The NRC reported that on the morning of December 14 the unit was operating at 49 percent.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2010/20101214en.html>

Information also derived from the NRC Power Reactor Status Reports:

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

Entergy's 1,207 MW Grand Gulf Nuclear Unit 1 in Mississippi Reduced to 80 Percent by December 15

The Nuclear Regulatory Commission reported that on the morning of December 14 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/>

Wind Capital Group Plans 201 MW Post Rock Wind Farm in Ellsworth and Lincoln Counties, Kansas

The company is expected to break ground in 2011 and open the project by the end of 2012.

[http://www.westarenergy.com/corp_com/corpcomm.nsf/unid/285993A6CB6BC549862577F9006EDA4F/\\$file/2010-12-14.pdf](http://www.westarenergy.com/corp_com/corpcomm.nsf/unid/285993A6CB6BC549862577F9006EDA4F/$file/2010-12-14.pdf)

Update: Obama Administration Files Suit against BP, Multiple Others, Citing Breaches of Environmental Law Related to Deepwater Horizon Spill

The Obama Administration filed a federal lawsuit today against BP, Transocean, Anadarko, Mitsui unit MOEX, and BP-insurer Lloyds of London, claiming the companies broke U.S. environmental laws in relation to the Deepwater Horizon oil spill in the U.S. Gulf of Mexico.

<http://www.reuters.com/article/idUSWALFNE6V320101215>

Malfunction Causes Release at Citgo's 429,500 b/d Lake Charles, Louisiana Refinery December 14

A "process unit over-pressurized" on December 14, triggering "a release of sour hydrocarbons," Citgo said in a filing with the National Response Center. The release was secured in 10 minutes, according to the filing.

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=962235

<http://www.bloomberg.com/news/2010-12-15/citgo-reports-equipment-failure-at-louisiana-oil-refinery.html>

Amberjack Pipeline Company to Install 24-Inch, 136-Mile Jack/St. Malo Oil Export Pipeline in U.S. Gulf of Mexico

Amberjack Pipeline Company LLC, a joint venture between Chevron Pipe Line Company and Shell Pipeline Company LP, plans to install a 136-mile, 24-inch crude oil pipeline from the Jack and St. Malo fields in the deepwater U.S. Gulf of Mexico to a Shell-owned and operated platform in Green Canyon Block 19. The pipeline would serve as an export conduit for the planned Jack/St. Malo hub production facility. Chevron expects the Jack/St. Malo hub facility to enter service in 2014; it would initially produce 170,000 b/d of oil.

http://www.chevron.com/chevron/pressreleases/article/12142010_amberjackpipelinecompanyllctoinstall136milejackstmaloiolexportpipeline.news

BP Shuts 125,000 b/d Chirag Oil Platform Offshore Azerbaijan December 11

BP halted production after "a routine performance test" revealed issues with the platform's firewater system, the company said on December 15. Citing "safety reasons," BP referred to the shutdown as a "preventive measure." The shutdown also forced offline deliveries through the associated Western Route Export Pipeline. That, in turn, impacted operations at the Supsa Marine Terminal in Georgia.

<http://online.wsj.com/article/BT-CO-20101215-705525.html>

<http://www.bp.com/sectiongenericarticle.do?categoryId=9006667&contentId=7015091>

Update: CPC Approves 670,000 b/d Expansion along Existing 730,000 b/d, Kazakhstan-Russia Crude Oil Pipeline

The Caspian Pipeline Consortium (CPC) approved a plan to increase capacity to 1.4 million b/d along its existing 730,000 b/d, 900-mile, Kazakhstan-to-Russia crude oil pipeline, Chevron, one of the pipeline's shareholders, said on December 15. The CPC plans to implement the expansion in three phases, with capacity increasing progressively from 2012 to 2015. The project will include the refurbishment of the existing five pump stations, the addition of 10 new pumping stations, the replacement of a 55-mile section of the line, six new storage tanks, and the addition of a third offshore mooring point at the Black Sea terminal, six miles north of the Port of Novorossiysk. The expansion is seen as a critical step toward the expansion of the existing Tengiz oilfield in Kazakhstan.

http://www.chevron.com/chevron/pressreleases/article/12152010_chevronandothershareholderssanctioncaspianpipelineexpansion.news

<http://www.cpc.ru/portal/alias!press/lang!en-us/tabID!3357/DesktopDefault.aspx>

Update: Companies to Celebrate First Oil at Planned 120,000 b/d Jubilee Field, Offshore Ghana December 15

Tullow Oil plc, Anadarko Petroleum, Kosmos Energy, Ghana National Petroleum Corporation, Sabre Oil and Gas, and E.O. Group plan to celebrate First Oil at the planned 120,000 b/d Jubilee field offshore Ghana on December 15. Oil first flowed into the FPSO on November 28, and that oil has been used to commission the facilities. The oil production rate will initially increase to 55,000 b/d, and then to 120,000 b/d as new wells are completed over the next three to six months. Government officials, however, expect technical challenges to keep initial production rates between 5,000 and 8,000 b/d. The first tanker of oil from the Jubilee field is expected to be exported in January 2011. Tullow Oil will operate the field.

<http://www.tulloil.com/index.asp?pageid=137&newsid=684>

<http://www.rtnnews.com/ArticleView.aspx?Id=1507175>

Update: Labor Dispute Forces Offline about 100,000 b/d of Production in Argentina

A labor dispute has forced shut two YPF SA-owned facilities in Argentina, knocking offline about 100,000 b/d of production, Dow Jones Newswires reported, citing company sources. The conflict began when a union said that YPF had failed to abide by a collective bargaining agreement. YPF has accused union-associated persons of wrecking facilities, beating employees, and blocking an important transportation center. The clash could affect other companies' production.

http://www.rigzone.com/news/article.asp?a_id=102157

Natural Gas

Third-Party Workers Rupture Williston Basin-Operated Natural Gas Pipeline in Billings County, North Dakota December 10

A trench digging machine struck a Williston Basin Interstate Pipeline Company-operated natural gas pipeline in Billings County, North Dakota on December 10, triggering an explosion. There were no injuries, and sources conflicted as to whether the exploded pipeline was appropriately marked.

http://www.kfyrtv.com/News_Stories.asp?news=45148

Calais LNG Shelves Plans to Construct 1 Bcf/d LNG Terminal in Maine

Calais LNG withdrew its state application to construct an LNG terminal in eastern Maine, citing economic concerns. The company, however, said it planned to eventually re-submit the plans. The terminal was expected to have a maximum throughput of 1 Bcf/d, according to a previous company release.

<http://www.bloomberg.com/news/2010-12-14/applications-withdrawn-to-build-maine-lng-terminal.html>

<http://www.mpbn.net/News/MaineNewsArchive/tabid/181/ctl/ViewItem/mid/3475/ItemId/14508/Default.aspx>

<http://www.calaislng.com/Documents/01-08-10-Quoddy%20Tides.pdf>

Regency Energy Partners Plans 200 MMcf/d Expansion along Natural Gas Pipeline System in South Texas

Regency Energy Partners plans to complete multiple expansion projects in a bid to boost capacity by 200 MMcf/d along its rich natural gas gathering system in the Eagle Ford Shale, South Texas, it said on December 14. The company expects to complete the expansions in May 2011. The projects include:

- The construction of a 45-mile pipeline to loop a portion of the existing south Texas gathering system from western Webb County, Texas, to new facilities near I-35;
- The installation of 20,000 horsepower of compression
- The installation of an additional 200 MMcf/d of dehydration capacity; and
- An additional 1,500 b/d of stabilizer capacity

<http://phx.corporate-ir.net/phoenix.zhtml?c=194063&p=irol-newsArticle&ID=1507505&highlight=>

Range Resources Produces 212 MMcf/d of Natural Gas Equivalent in Marcellus Shale, Pennsylvania during First Two Weeks of December, Compared to 100 MMcf/d at Beginning of 2010

The company expects to produce 400 to 420 MMcf/d of natural gas equivalent by the end of 2011.

<http://phx.corporate-ir.net/phoenix.zhtml?c=101196&p=irol-newsArticle&ID=1507896&highlight=>

<http://www.ogj.com/index/article-display/3488191210/articles/oil-gas-journal/exploration-development-2/area-drilling/2010/12/pennsylvania-range.html>

Keyera Plans 28-Mile, 12-Inch Natural Gas Gathering Pipeline in Alberta, Canada

The Carlos pipeline would link natural gas producers in the Hoadley region of central Alberta to Keyera Facilities Income Fund's Rimbey gas plant. The company expects to open the line in the second quarter of 2011.

<http://www.keyera.com/News/carlos>

Other News

Update: Frontier Renewable Resources Plans 40-80 MMGal/Yr. Cellulosic Ethanol Plant in Michigan

Frontier Renewable Resources plans to construct a 40 MMGal/Yr. biomass-based cellulosic ethanol plant near Kinross, Michigan, according to its website. The Sierra Club, however, is suing the state, claiming Frontier received an air quality permit based on the faulty expectation that the site would emit a small enough quantity of carbon dioxide to qualify as a minor polluter. In fact, according to the Sierra Club, the company plans to eventually produce 80 MMGal/Yr. of ethanol; that higher production will cause the facility to emit far more carbon dioxide.

<http://www.bloomberg.com/news/2010-12-15/lawsuit-opposes-permit-for-michigan-ethanol-plant.html>

<http://www.frontier-renewable.com/about/>

Energy Prices

U.S. Oil and Gas Prices December 15, 2010			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	88.67	88.41	70.62
NATURAL GAS Henry Hub \$/Million Btu	4.35	4.47	5.53

Source: Reuters

Energy Notes

More than 10,000 Kentucky Utilities Customers Lose Power in Lexington, Kentucky December 15 – Cause Unknown, as of Latest Reports

<http://www.lex18.com/news/some-ku-customers-still-in-the-dark>

Equipment Failure or High Usage Suspected to Blame as 10,000 LCEC Customers Lose Electricity in Florida December 14

<http://www.winknews.com/Local-Florida/2010-12-14/With-cold-temperatures-arrives-busiest-time-of-year-for-power-companies>

Explosion Leads to Fire at Dominion's Rosemary Substation in Roanoke Rapids, North Carolina December 10 – No Customer Outages

<http://www.rrdailyherald.com/articles/2010/12/11/news/doc4d040290bb43a217048800.txt>

Underground Electrical Fire Likely at Fault for Multiple Explosions in Springfield, Massachusetts December 13 – WMECO Confirms Issue with Underground Electric System

<http://www.cbs3springfield.com/news/local/Manhole-Explosions-and-Fires-at-the-Springfield-Quadrangle-111811624.html>

Update: TCEQ Issues Air Permit for Tenaska's Proposed 600 MW Coal-Fired Trailblazer Energy Center in Texas December 14

<http://www.reuters.com/article/idUSN144347520101215>

TVA Aims to Install Two Small Modular Nuclear Reactors at Aging Coal-Fired Power Plant

<http://nextbigfuture.com/2010/12/tva-and-other-utilities-look-to-small.html>

**Two 500-Gallon Tanks Catch Fire near Elk Hills Oilfield in Kern County, California
December 13, Leaving Two Injured – Tanks Contained Well Operation Fluids**

<http://www.turnto23.com/news/26118964/detail.html>

**Houston Refining Reports Brief Operational Upset at 268,000 b/d Houston, Texas Refinery
December 14**

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=148468>

**Equipment Snag Leads to SO₂ Release at Valero's 180,000 b/d Memphis, Tennessee
Refinery December 14**

Reuters, 00:38 December 15, 2010

**Petrobras Begins Extended Well Test in Campos Basin, Offshore Brazil – Company
Expects Well to Produce 24,000 b/d of Oil**

http://www.rigzone.com/news/article.asp?a_id=102198

**Approximately 50 Percent of the 3,000-Plus Oil-and-Gas Production Platforms in U.S. Gulf
of Mexico are at Least Two Decades Old: Wall Street Journal**

http://online.wsj.com/article/SB10001424052748704584804575644463302701660.html?mod=ITP_pageone_0

Power Failure Forces Shut SRU at Keystone Gas Plant in Texas December 14

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=148466>

**Upset Leads to Shutdown of Compressor System, Brief Emissions Event at Aker Gas Plant
in Texas December 14**

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=148467>

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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