



ENERGY ASSURANCE DAILY

Tuesday Evening, January 11, 2011

Major Developments

Update: Alyeska to Install Bypass in Bid to Restart TAPS Oil Pipeline System in Alaska – Weekend Shutdown Forced Prudhoe Bay Producers to Slash Output by About 600,000 b/d

Alyeska Pipeline Service Company aims to install a 157-foot bypass line in a bid to restart its 800-mile Trans Alaska Pipeline System (TAPS) this week, the Alaska Department of Environmental Conservation said on January 10. Alyeska shut the line on January 8 after it found crude oil leaking into the basement of a booster pump building along the northern end of the pipeline. The shutdown forced producers in the Prudhoe Bay, Alaska to slash crude output to 5 percent of normal: from 630,000 b/d, on average, to approximately 31,500 b/d, multiple news and company sources reported. Testing indicated that the leak occurred in the discharge piping; workers had, by January 10, begun preparing to drain the discharge pipe, seal it off, and install the bypass pipe, according to the state release. Crews had recovered about 18 barrels of oil, as of January 10. It was not yet known if oil had been released outside of the spill area. The pipeline delivers crude oil from the Prudhoe Bay field to a port in Valdez, Alaska; it transported 642,261 b/d of oil, on average, in December 2010, according to Alyeska's website. The shutdown had not disrupted shipments at the Valdez port, as of latest reports. Alyeska said the spill did not appear to have impacted wildlife or the environment, as of January 9.

<http://www.businessweek.com/news/2011-01-11/alaska-oil-pipeline-bypass-would-connect-one-of-three-pumps.html>

<http://www.bloomberg.com/news/2011-01-10/trans-alaska-crude-oil-pipeline-outage-has-minimal-impact-on-refineries.html>

http://dec.alaska.gov/spar/perp/response/sum_fy11/110108301/110108301_index.htm

http://www.alyeska-pipe.com/Inthenews/LatestNews/2011/PS1incident/PressRelease1_PS1.html

http://www.alyeska-pipe.com/Inthenews/LatestNews/2011/PS1incident/PressRelease2_PS1.html

http://www.alyeska-pipe.com/Inthenews/LatestNews/2011/PS1incident/PressRelease3_PS1.html

<http://www.alyeska-pipe.com/Inthenews/LatestNews/2011/PS1incident/Fact%20Sheet%200002.pdf>

<http://www.reuters.com/article/idUSL3E7CA0T620110110>

DJN, 12:44 January 10, 2011

Reuters, 12:51 January 10, 2011

Electricity

Winter Storms Cut Power to More Than 42,000 Customers in Georgia, Carolinas January 10-11

Winter storms blasted the U.S. Southeast on January 10-11, disrupting ground and air traffic and knocking out power to more than 42,000 customers in Georgia and the Carolinas, multiple news and company sources reported. The storms cut electricity to customers in other states, but the following table lists only those states with 10,000 or more customer outages, based on latest available reports.

U.S. Southeast Customer Power Outages			
January 10 – 11, 2011			
Electric Utility	State	Peak	Latest Reported
Progress Energy	NC/SC	13,500	1,912
SCE&G	SC	4,000	<400
Berkeley Electric Cooperative	SC	3,000	<100
Duke Energy	NC/SC	2,400	330
Georgia Power	GA	11,000	536
Albany Water, Gas, and Light	GA	7,000	500*
Georgia EMCs	GA	1,900	300
TOTAL*		42,800	<4,078

*Estimate based on news source

**Total outages only represent electric utilities listed in this table.

Sources:

<http://www.cnn.com/2011/TRAVEL/01/11/winter.storm/index.html?hpt=C2>

Progress Energy: <http://progress-energy.com/shared/outages/car/default.aspx>

SCE&G: <http://www.sceg.com/en/news-room/current-news/sceg-crews-work-to-restore-power.htm>

Berkeley Electric: <http://www.abcnews4.com/Global/story.asp?S=13822320>

Duke Energy: <http://www.duke-energy.com/north-carolina/outages/current.asp> ,

<http://www.thesunnews.com/2011/01/11/1914670/sc-residents-face-icy-roads-power.html>

Georgia Power: <http://twitter.com/georgiapower> , <http://www.ajc.com/business/regions-power-lines-dodged-801117.html>

Albany Water, Gas, and Light: <http://www.walb.com/Global/story.asp?S=13819722>

Georgia EMCs: <http://www.georgiaemc.com/news/newsdetail.aspx?itemID=93> ,

<http://www.georgiaemc.com/stormcentral/outagesbyregion.aspx>

Update: Calpine's 751 MW Pastoria Gas-Fired Unit in California Ramps up by January 10

According to the California Independent System Operator, the unit reported a return from an unplanned curtailment of 511 MW.

<http://www.caiso.com/unitstatus/data/unitstatus201101101515.html>

Update: AES's 226 MW Huntington Beach Gas-Fired Unit 2 in California Ramps up by January 10

According to the California Independent System Operator, the unit reported a return from an unplanned curtailment of 116 MW.

<http://www.caiso.com/unitstatus/data/unitstatus201101101515.html>

Luminant to Restart 593 MW Big Brown Coal-Fired Unit 1 in Texas January 11-12

Luminant expected to restart the unit on January 11-12 "following boiler tube leak repairs," it said in a filing with state regulators. It was not clear when the unit shut.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=149230>

Update: Entergy's 1,207 MW Grand Gulf Nuclear Unit 1 in Mississippi Ramped Up to 96 Percent by January 11

The Nuclear Regulatory Commission reported that on the morning of January 10 the unit was operating at 69 percent.

Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2011/>

Entergy's 813 MW FitzPatrick Nuclear Unit in New York Reduced to 75 Percent by January 11

The Nuclear Regulatory Commission reported that on the morning of January 10 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/2011/>

TVA's 1,118 MW Browns Ferry Nuclear Unit 3 in Alabama Reduced to 88 Percent by January 11

The Nuclear Regulatory Commission reported that on the morning of January 10 the unit was operating at 98 percent.

Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2011/>

Petroleum

National Commission Releases Final Report on BP Deepwater Horizon Oil Spill and Offshore Drilling January 11

The report summarized the Deepwater Horizon disaster and its aftermath, discussed lessons learned, and issued numerous recommendations to both the federal government and the oil-and-gas industry. "As drilling pushes into ever deeper and riskier waters where more of America's oil lies, only systemic reforms of both government and industry will prevent a similar, future disaster," a commission co-chairman said. To read the report, click on the first link below.

<http://www.oilspillcommission.gov/final-report>

<http://www.cnn.com/2011/US/01/11/gulf.oil.spill.report/index.html?hpt=T2>

ConocoPhillips Restarts Compressor at 362,000 b/d Wood River, Illinois Refinery January 10

ConocoPhillips adjusted unit operations, "restarted the compressor and got it back under control" on January 10, the company said in a filing with state regulators. It was not clear why the compressor shut or if the incident had any impact on production.

<http://tier2.iema.state.il.us/FOIAHazmatSearch/HazmatDetails.aspx?RptNum=H-2011-0022>

<http://www.bloomberg.com/news/2011-01-11/conocophillips-reports-emission-of-gas-at-wood-river-refinery.html>

<http://www.reuters.com/article/idUSN111632520110111>

Equipment Failure Leads to Compressor Shutdown at Sunoco's 178,000 b/d Marcus Hook, Pennsylvania Refinery by January 11

An equipment failure led to the shutdown of a wet gas compressor and triggered flaring, according to a regulatory filing. It was not clear if the incident had any impact on production.

Reuters, 00:30 January 11, 2011

Greencore Pipeline Company Plans 20-Inch, 231-Mile, Wyoming-to-Montana CO2 Pipeline

The line would deliver liquid carbon dioxide (CO2) from ConocoPhillips' Lost Cabin gas plant in Fremont County, Wyoming to an enhanced oil recovery project at the Belle Creek field in Montana.

http://billingsgazette.com/news/state-and-regional/wyoming/article_6aeec308-4dfb-54b8-b65e-bf56f3f24c70.html

Gas Leak Forces Shut 116,000 b/d Snorre and 41,000 b/d Vigdis Oilfields in Norwegian North Sea January 11

The company was unsure when it might restart the fields, as of latest reports.

Reuters, 11:27 January 11, 2011

Update: BP Boosts Production to More Than 1.17 Million b/d at Rumaila Oilfield in Iraq by January 11

BP raised production to more than 1.17 million b/d at the Rumaila super-giant oilfield in Southern Iraq, or more than 10 percent above the 1.066 million b/d initial production rate agreed upon in December 2009, the company said on January 11.

<http://www.bp.com/genericarticle.do?categoryId=2012968&contentId=7066668>

Gazprom Neft, TNK-BP to Develop Messoyakha Oil-and-Gas Fields in Russia

Gazprom Neft, TNK-BP plan to produce about 400,000 b/d of oil and condensate at the Messoyakha oil-and-gas fields in the north of the Yamal Peninsula, Russia, the companies said on January 11. Gazprom Neft would operate the project.

<http://ir.gazprom-neft.com/news-and-publications/investor-releases/single/article/832/74/>

Natural Gas

Nothing to report.

Other News

Cameco Resources Aims to Produce 4 Million Pounds/Year of Uranium “Yellow Cake” in Wyoming by 2018, Compared to 2 Million Pounds/Year at Present

The company would produce the uranium “yellow cake” at its Smith Ranch Highland operation and its Pumpkin Buttes and Gas Hills mines.

<http://www.casperjournal.com/articles/2011/01/11/news/news62.mining%20story.txt>

Energy Prices

U.S. Oil and Gas Prices January 11, 2011			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	91.09	89.05	82.25
NATURAL GAS Henry Hub \$/Million Btu	4.49	4.54	6.56

Source: Reuters

Energy Notes

Substation Snag Cuts Power Briefly to 15,000 PG&E Customers in Berkeley, California January 7

http://www.mercurynews.com/breaking-news/ci_17036302?nclick_check=1

Update: Virginia Corporation Commission Declines to Postpone Review of Allegheny Energy and AEP’s Proposed 765 kV, West Virginia-to-Maryland PATH Transmission Line January 10 – Companies Requested Delay, Citing New PJM Forecast and Potential Changes to Line’s Projected In-Service Date

<http://finance.yahoo.com/news/Va-regulators-wont-delay-apf-197886516.html?x=0&.v=1>

<http://www.pathtransmission.com/news/WVPSCPATHresponse.pdf>

Colorado Air Quality Control Commission Okays State’s Plan to Reduce Emissions from Power Plants, Other Industrial Facilities January 7 – State Legislature to Review Plan

<http://www.bizjournals.com/denver/news/2011/01/10/colorado-air-quality-panel-oks.html>

Harvest Pipeline Plans 25-Mile Expansion along Arrowhead Crude Oil Pipeline in Eagle Ford Area, Texas – Line to Connect with Company’s Existing 140-Mile Pearsall Pipeline

http://www.downstreamtoday.com/news/article.aspx?a_id=25271

Propane Tank Leak Forces 400 People to Evacuate from Apartment Building, School in Willsboro, New York January 7

<http://www.wptz.com/r/26400283/detail.html>

Explosion Kills Worker at QEP Natural Gas Rig near Pinedale, Wyoming January 5

http://www.subletteexaminer.com/v2_news_articles.php?heading=0&page=72&story_id=1638

<http://www.ktvb.com/news/Idaho-man-killed-in-Wyo-drilling-rig-explosion-113103954.html>

OPEC Boost Crude Oil Production by 170,000 b/d, from 29.1 Million b/d in November 2010 to 29.27 Million b/d in December 2010: Platts

<http://www.prnewswire.com/news-releases/platts-survey-opec-pumps-2927-million-barrels-of-oil-per-day-in-december-113220689.html>

Royal Vopak NV Plans Oil/Oil Product Storage Terminal in Netherlands – Facility Would Have Initial Capacity of 660,000 Cubic Meters, be Equipped to Store Products for European Governments

<http://www.bloomberg.com/news/2011-01-11/vopak-nibc-fund-to-build-dutch-storage-terminal-update1-.html>

In Draft Environmental Assessment, U.S. Fish and Wildlife Service Proposes Conditional Approval of Lexam Exploration's Bid to Drill for Natural Gas on Baca National Wildlife Refuge in Colorado

http://www.rigzone.com/news/article.asp?a_id=102885

PG&E Shelves Practice of Raising Pressure to Maximum-Allowable Limit along Natural Gas Pipelines January 10 – Recent News Report Suggested that an Intentional Increase Might Have Weakened Pipeline that Exploded in San Bruno, California

<http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2011/01/10/MNLB1H6TR2.DTL&feed=rss.news>

Poor Company Record-Keeping Complicates CPUC's Efforts to Assess Pressure Limits along PG&E's Natural Gas Pipeline System in California

http://www.mercurynews.com/san-bruno-fire/ci_17050160?nclink_check=1

North Dakota Mines Yield 28.8 Million Tons of Lignite in 2010, or Approximately 1 Million Tons Less than in 2009: Lignite Energy Council

<http://www.wdaz.com/event/article/id/5644/group/homepage/>

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>

Please direct comments and questions to: ead@oe.netl.doe.gov