



ENERGY ASSURANCE DAILY

Friday Evening, February 03, 2012

Electricity

NRC Advances Southern Company's Bid to Build Two Nuclear Units at the Vogtle Nuclear Power Plant in Georgia

The U.S. Nuclear Regulatory Commission (NRC) has scheduled a vote February 9 to affirm its position on a construction and operation permit application from Southern Company, which is planning to build two nuclear reactors at its Vogtle plant southeast of Augusta, Georgia. If approved, Southern plans to operate the first unit by 2016, and the second, by 2017.

<http://www.bloomberg.com/news/2012-02-02/nrc-advances-southern-co-bid-to-build-first-u-s-nuclear-units.html?cmpid=yhoo>

NorthWestern Energy Shuts Dave Gates Generating Station at Mill Creek in Montana Due to Gas Turbine Problems on Each of Three 50 MW Units

NorthWestern Energy announced yesterday that the station will be down for a period of up to several months following the discovery of a problem within the gas turbines on each of the three generation units. One unit was taken offline in mid-January due to a vibration alarm, and a gas turbine was removed and sent back to the manufacturer for repair. Inspections of the other two units, each of which is fitted with two gas turbines, indicated similar concerns. NorthWestern took the remaining units out of service this week to prevent further damage. The turbines will be removed and repaired. NorthWestern expects the facility to resume full production within 90–180 days. In the meantime, the company has entered into contracts with third parties for replacement regulation service and filed for approval with the Federal Energy Regulatory Commission for these agreements.

<http://www.northwesternenergy.com/OurCompany/NewsCenter/displaynews.aspx?Article=7067&item=20>

Update: Citing Operational Issues, TVA Accelerates Plans to Idle Four 141 MW Coal-Fired Units at Its Johnsonville Power Plant in Tennessee by March 1

The Tennessee Valley Authority (TVA) on Friday said it will idle four of ten units at its Johnsonville Fossil Plant in west Tennessee as of March 1, 2012, according to an earnings release. TVA elected to accelerate the schedule due to operational issues on the remaining units at Johnsonville and to reduce costs. TVA announced last spring its intention to retire 18 coal-fired generation units in Tennessee and Alabama to comply with more stringent air-pollution regulations issued by the U.S. Environmental Protection Agency.

Reuters, 10:56 February 3, 2012

http://www.tva.com/news/releases/janmar12/1st_results.html

SCE Reports Tube Degradation Issues in Steam Generators on Both Units at 2,150 MW San Onofre Nuclear Power Plant in California

Southern California Edison (SCE) recently reported tube degradation issues in the steam generators of both units at its San Onofre plant in California. On January 31 the utility shut its 1,080 MW Unit 3 when sensors detected a steam generator leak. SCE also recently discovered "unusual" degradation of tubes within a steam generator on Unit 2. Those tubes had been replaced during a six-month outage that ended April 2010. Finding significant degradation on the tubes this soon is unusual, but not unprecedented, said a spokesman from the U.S. Nuclear Regulatory Commission (NRC) on Thursday. The NRC is conducting its own inspection of the Unit 2 steam generators. SCE and manufacturer representatives were working Thursday to assess the nature of the Unit 3 leak. No timetable for that repair has been set, the spokesman said.

Reuters, 18:28 February 2, 2012

Interior Department Clears the Way for Wind Energy Lease Sales for Offshore Wind Projects in U.S. Mid-Atlantic

Interior Secretary Ken Salazar and Bureau of Ocean Energy Management (BOEM) Director Tommy P. Beaudreau announced that the department's renewable energy initiative has cleared an environmental review, allowing Interior to move forward with the process for wind energy lease sales in designated outer continental shelf (OCS) areas off the Maryland, Virginia, New Jersey, and Delaware coasts. Today, BOEM also published calls for information and nominations for Maryland and Virginia, to solicit lease nominations from industry and request public comments regarding site conditions, resources, and multiple uses of the wind energy areas. The bureau also announced the finalization of a lease form that will help streamline the issuance of renewable energy leases on the OCS.

<http://www.doi.gov/news/pressreleases/Obama-Administration-Announces-Major-Steps-toward-Leasing-for-Offshore-Wind-Projects-in-Mid-Atlantic.cfm>

<http://www.boem.gov/BOEM-Newsroom/Press-Releases/2012/press02022012.aspx>

[http://www.boem.gov/BOEM-Newsroom/Press-Releases/2012/press02022012\(2\).aspx](http://www.boem.gov/BOEM-Newsroom/Press-Releases/2012/press02022012(2).aspx)

Update: Entergy's 510 MW Vermont Yankee Nuclear Unit in Vermont Ramped Up to 95 Percent by February 3

On the morning of February 2 the unit was operating at 62 percent.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2012/>

Petroleum

Flint Hills to Briefly Shut 210,000 b/d North Pole, Alaska Refinery to Complete Heat Recovery Project to Help Warm Oil Temperatures in Trans Alaska Pipeline System

The Flint Hills refinery at North Pole has plans to start a four-day shutdown today to finish a project to install facilities to recapture some of the heat from the 80,000 b/d of oil it normally returns to the Trans Alaska Pipeline System (TAPS) each day. (The refinery takes in about 115,000 b/d from the pipeline but returns 80,000 of them, producing about 35,000 b/d of refined products.) The company doesn't expect any supply problems during the shutdown. The project is part of a wider effort to warm oil temperatures in TAPS during the winter, a matter of concern as lower flow rates leave oil in the pipeline much longer, causing ice to form at low spots where small amounts of water in the oil separate from the main stream. Pipeline operator Alyeska Pipeline Service Co. has focused more attention on heating oil to keep up the temperature.

<http://newsminer.com/bookmark/17387589-Flint-Hills-plans-four-day-shutdown-to-complete-heat-recovery-project>

Canadian Pacific Expands Crude Oil Rail Shipment Operations with New Transload Facility in Saskatchewan

Canadian Pacific (CP) yesterday announced that, by leveraging its North Main Line infrastructure, the company is now shipping crude oil by rail from a new transload facility near Lloydminster, Saskatchewan. CP is the only North American railway to serve the Alberta Industrial Heartland, the Bakken Formation, and the Marcellus Shale, and it connects Alberta, Saskatchewan and the U.S. Midwest to the U.S. Northeast. The Lloydminster facility will service the initial transload and transportation needs of NuStar Energy LP, with a further planned expansion in 2012, by transporting crude oil by rail along its North Main Line to NuStar's terminals in the U.S. Northeast and Gulf Coast.

<http://www.cpr.ca/en/news-and-media/news/Pages/oil-by-rail.aspx>

<http://www.winnipegfreepress.com/business/cp-moving-oil-from-new-terminal-138629489.html>

BP to Ship 100,000 b/d of Crude Oil Westward on Trans-Panama Pipeline to U.S. West Coast

BP Plc has started shipping 100,000 b/d of crude oil westward on the trans-Panama pipeline to Panama's Pacific Coast port of Charco Azul, where it will be loaded on tankers bound for U.S. West Coast refineries, the company said in an emailed statement. The company wants to provide U.S. West Coast refiners with "more diverse and flexible supply options," the statement said.

<http://www.bloomberg.com/news/2012-02-02/bp-to-ship-crude-on-trans-panama-pipeline-to-u-s-west-coast-1-.html>

Update: Motiva Running Feedstocks through Some Expansion Units at Its 285,000 b/d Port Arthur, Texas Refinery, Expects Full Production by Mid-2012

Motiva Enterprises began circulating feedstocks through some of the expansion units at its Port Arthur refinery in mid-January, according to sources familiar with refinery operations. The company expects all expansion units to be in production by the end of the second quarter of this year, bringing the maximum capacity of the refinery to 660,000 b/d, 10 percent more than planned capacity, the sources said.

[http://www.lse.co.uk/FinanceNews.asp?ArticleCode=rtcjxve8igdqny9&ArticleHeadline=UPDATE_1Motiva_Port Arthur_running_feedstock_in_new_units](http://www.lse.co.uk/FinanceNews.asp?ArticleCode=rtcjxve8igdqny9&ArticleHeadline=UPDATE_1Motiva_Port_Arthur_running_feedstock_in_new_units)

Compressor Shuts Due to Loss of Power at 335,000 b/d Philadelphia, Pennsylvania Refinery February 2

Sunoco Inc. shut a reformer at the Girard Point section of its Philadelphia refinery after a loss of power in a compressor on Thursday, according to a filing with Philadelphia pollution regulators. Power was restored before the unit shut down, the filing said.

Reuters, 13:01 February 3, 2012

Tesoro Reports Unspecified Unit Shutdown, Flaring at 145,000 b/d Anacortes, Washington Refinery February 2

Tesoro Corp. on Friday said its refinery in Anacortes is returning to normal operations after a brief shutdown of an unspecified unit, or units, on Thursday. An equipment malfunction resulted in minimal flaring activity, according to a filing with environmental regulators. Operators are restarting the units and the company did not anticipate any disruptions to customers, a spokeswoman said.

DJN, 12:41 February 3, 2012

BP Shuts FCCU for Unplanned Work at Its 405,000 b/d Whiting, Indiana Refinery February 3

BP Plc has shut one of two gasoline-making fluid catalytic cracking units (FCCU) at its refinery in Whiting, Indiana, for unplanned work, according to sources familiar with refinery operations on Friday. A BP spokesman declined comment, reports said.

Reuters, 10:45 February 3, 2012

Venezuelan Oil Exports to the U.S. Hit Lowest Level in nearly 9 Years, Reflect Long-Term Declining Trend

Venezuela's oil exports to the United States in recent months hit the lowest level in nearly nine years, according to U.S. Energy Information Administration figures released this week, reflecting a long-term trend of declining oil shipments to the United States. The United States imported 764,000 b/d of Venezuelan crude oil and refined products in November, the lowest monthly amount since February 2003. The United States remains the top market for Venezuelan oil, but the country has been diversifying by selling more to China and to allies in Latin America and the Caribbean.

http://www.google.com/hostednews/ap/article/ALeqM5jA1VE2XvFfUrDix60_KdctDc9fOQ?docId=066395a5d2f848178d1910e2a8935981

Approximately 9,000 Gallons of Jet Fuel Leak from Shell Pipeline at Mitchell International Airport in Milwaukee, Wisconsin Late Last Month

<http://www.jsonline.com/news/milwaukee/airport-jet-fuel-leak-estimated-at-9000-gallons-e241ucg-138588174.html>

Natural Gas

Canada Approves BC LNG's Application to Export 1.8 mpta of LNG from Kitimat, British Columbia to Primarily Asian Markets

Canada's National Energy Board yesterday approved an application by BC LNG Export Co-operative LLC (BC LNG) for a license to export liquefied natural gas (LNG) from Kitimat, British Columbia primarily to Asian markets. The export license authorizes BC LNG to export 36 million tonnes of LNG over a 20 year period and a maximum of 1.8 million tonnes per annum (mpta).

<http://www.neb-one.gc.ca/clf-nsi/rthnb/nwsrls/2012/nwsrls03-eng.html>

AGI Compressor Shuts on Low Suction Pressure at Regency's 290 MMcf/d Waha Gas Plant in Texas February 2

Regency Energy Partners reported an acid gas injector (AGI) compressor shut down Thursday on low suction pressure during a filter change out. Operators established adequate pressure after the filter was changed and reset and restarted the compressor.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=164357>

Exterran Reports Unit Shutdown at Its 50 MMcf/d Reinecke Gas Plant in Texas February 1

Exterran reported Unit No. 74156 shut due to inadequate right bank manifold pressure Wednesday, according to a filing with the Texas Commission on Environmental Quality. Operators adjusted the CO2 levels in the fuel and restarted the unit.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=164338>

Other News

USDA Approves Conditional Loan Guarantee to Fiberight, LLC to Build 3.6 MMGal/Yr. Waste- and Corn-Based Bioethanol Plant in Iowa

<http://southwestfarmpress.com/government/usda-support-new-advanced-biofuel-production-facility>

International News

Petrobras Says It Has Contained a Crude Oil Spill after Tube Ruptured in the Offshore Carioca Nordeste Field

State-run energy company Petroleo Brasileiro (Petrobras) continued its recovery operations Thursday and reported it estimates 160 barrels of crude spilled into the Atlantic Ocean when a tube recently ruptured during a long-term well test at the Carioca Nordeste field. The leak was quickly contained, a spokesman said in a written statement Thursday night.

<http://www.foxbusiness.com/news/2012/02/02/brazil-oil-spill-contained-safety-issue-lingers/>

Energy Prices

U.S. Oil and Gas Prices			
February 3, 2012			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	97.26	99.60	89.38
NATURAL GAS Henry Hub \$/Million Btu	2.30	2.68	4.55

Source: Reuters

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 EDT every Wednesday.

Natural Gas Weekly Update from EIA

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

Updated after 2:00 PM EDT every Thursday.

ENERGY ASSURANCE DAILY

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

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