



ENERGY ASSURANCE DAILY

Thursday Evening, March 19, 2009

Electricity

Update: Entergy's 858 MW Arkansas Nuclear Unit 2 in Arkansas Ramped Up to 95 Percent by March 19

The unit shut on March 13 when one of the main feed water regulating valves failed. The Nuclear Regulatory Commission reported that on the morning of March 18 the unit was operating at 73 percent.

<http://uk.reuters.com/article/oilRpt/idUKN1833527320090318>

Information also derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2009/>

NPPD's 764 MW Cooper Nuke Unit in Nebraska Reduced to 68 Percent by March 19

The Nebraska Public Power District (NPPD) reduced its Cooper nuke for a control rod pattern adjustment. The Nuclear Regulatory Commission reported that on the morning of March 18 the unit was operating at full power.

<http://www.reuters.com/article/rbssIndustryMaterialsUtilitiesNews/idUSN1943528920090319>

Information also derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2009/>

Minnesota PUC Approves Power Lines for Proposed 630 MW Big Stone II Coal-fired Power Plant in South Dakota

The Minnesota Public Utilities Commission approved plans for power lines to bring electricity into Minnesota from a planned expansion of the coal-fired Big Stone plant located in South Dakota. The Big Stone II project is currently facing a challenge from the Environmental Protection Agency (PEA) concerning the degree of pollution controls at the plant.

http://minnesota.publicradio.org/display/web/2009/03/18/state_approves_power_lines_for_big_stone_ii_project/

Update: AEP's 528 MW Welsh Coal-fired Unit 3 in Texas to Return to Service Shortly, Company Says

American Electric Power reported to Texas state regulators that it plans to restart Unit 3 at its Welsh power station on March 19-23 following a February 20 shutdown due to a boiler repair.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=119091>

Reuters, 07:46 March 19, 2009

Petroleum

Flint Hills Plans New Fuel Terminal in Central Texas

Flint Hills Resources announced recently it will build a new fuel terminal in Caldwell County to serve Central Texas, an area which has experienced dramatic population growth during the last five years resulting in increased fuel demand. The new terminal is slated to begin operating in 2010 and will be located on property that provides access to the company's refined products pipeline.

http://www.fhr.com/newsroom/news_detail.aspx?id=174

Hess's 65,000 b/d FCC Unit at its Port Reading, New Jersey Refinery Shut due to Power Outage March 19

Bloomberg News, 11:02 March 19, 2009

Water Issues Seen as Central to Large Scale Development of Shale Resources in Colorado - Report

A just released report by Western Resource Advocates (WRA), "Water on the Rocks; Oil Shale Water Rights in Colorado" quantifies the large volume of water rights that energy companies have acquired in western Colorado. and describes potential problems that large-scale oil shale extraction could introduce.

<http://www.westernresourceadvocates.org/land/wotrreport/index.php>

Saudi Aramco Announces Cut in Projected Spending Through 2014

Saudi Arabia's state-owned oil and gas company Saudi Aramco has announced cuts in its projected spending through 2014 to \$60 billion, down from previous targets of \$120-130 billion. Analysts are saying Saudi Aramco's investment cuts are a reaction to the current global economic downturn, but have not so far been accompanied by major project cancellations.

<http://online.wsj.com/article/SB123742077789978471.html>

<http://www.ameinfo.com/189161.html>

Update: Transportation Safety Board of Canada Finds Inadequate Communication Compromised Safe Operation of Burnaby Pipeline Leading to 2007 Accident

The Transportation Safety Board of Canada (TSB) released its final investigation report March 18 into the pipeline rupture that occurred on July 24, 2007 in Burnaby, British Columbia. TSB found that inadequate communication compromised the safe operation of the crude pipeline.

http://www.tsb.gc.ca/eng/medias-media/communiqués/pipeline/2009/comm_p07h0040.asp

Update: FCC Unit Operating at Planned Rates at Valero's 87,400 b/d Ardmore, Oklahoma, Refinery

The 26,000 b/d gasoline producing fluid catalytic cracker (FCC) unit is running at normal rates following repairs on the unit which took longer than expected, a Valero representative said.

Bloomberg News, 11:09 March 19, 2009

CJN, 11:04 March 19, 2009

OPEC Oil Exports Excluding Angola and Ecuador to Fall 770,000 b/d April 4 – Lowest Level since September 2003

The Oil Movements consultancy is reporting that OPEC seaborne oil exports, excluding Angola and Ecuador, will fall 22.41 MMb/d down 770,000 b/d from 23.18 MMb/d for the week ending April 4. Supplies are falling as the OPEC nations implement output cuts totaling 4.2 MMb/d from its production levels in September to prop up prices. Reuters, 12:30 March 19, 2009

Shell's Crude Pipeline Servicing the Warri River Pumping Station in Nigeria Damaged by Militants March 18

Following an attack by dynamite to a crude oil pipeline operated by Shell in Nigeria's southern region yesterday, the company is investigating reports of the occurrence. A local newspaper cites military officials confirming the attack.

Bloomberg News, 05:00 March 19, 2009

Suspected oil thieves Sabotage NNPC Oil Pipeline in Nigeria March 18

A Nigerian military spokesperson says suspected oil thieves in Nigeria have sabotaged an oil pipeline operated by the state-owned oil firm NNPC in the southern Niger Delta region yesterday. No information was available about whether production was affected by the incident.

Reuters, 12:24 March 19, 2009

Update: Crude Oil Production in Mexico Expected to Average 2.9 MMb/d in 2009, Down 290,000 b/d from 2008, EIA Reports

In its updated country analysis brief on Mexico, the Energy Information Administration (EIA) reports Mexico's crude oil production is expected to average 2.9 MMb/d in 2009, down 290,000 b/d from 2008 with an additional decrease to 2.7 MMb/d projected for 2010. The decline is driven by falling production at the giant, aging Cantarell field.

<http://www.eia.doe.gov/emeu/cabs/Mexico/Background.html>

Natural Gas

Sempra to Hold Open Season for 1 Bcf of Capacity at its Bay Gas Storage Project in Alabama

Sempra Pipelines & Storage, a unit of Sempra Energy, launched a non-binding open season to solicit market interest in up to 1 Bcf of natural gas capacity at its Bay Gas Storage project near McIntosh, Alabama. Bids will be accepted until the close of business on March 26, 2009.

http://public.sempra.com/newsreleases/viewpr.cfm?PR_ID=2343&Co_Short_Nm=SE

Other News

Tate & Lyle Halts Construction of 100 MMGal/yr Ethanol Plant Near Fort Dodge, Iowa

On March 18, the company announced that it has temporarily suspended construction at the partially-built 100 MMGal/yr ethanol production facility. However, the company does not plan any layoffs and will resume construction once markets and conditions improve.

<http://www.messengernews.net/page/content.detail/id/513802.html>

Bloomberg News, 05:21 March 19, 2009

Energy Prices

U.S. Oil and Gas Prices			
March 19, 2009			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	50.62	45.66	104.74
NATURAL GAS Henry Hub \$/Million Btu	3.75	3.92	9.10

Source: Reuters

Energy Notes

High Discharge Pressure Shuts South Fullerton Booster Station in Texas March 18, Station Restart Underway

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=121527>

Workers Strike at Total's Six Refineries in France, Company Says Strike has 'Limited' Impact on Output

<http://www.iht.com/articles/2009/03/19/business/19strike.php>

Bloomberg News, 06:53 March 19, 2009

Fog Halts Movement of Tankers out of Houston Ship Channel March 19, Coast Guard Says

Reuters, 10:59 March 19, 2009

Economic Crisis to Lower Carbon Emissions Only in the Short-term, Yet Lower Investments in Clean Energy Could Lead to Higher Pollution in the Long-term, IEA Says

Reuters, 12:00 March 19, 2009

Upset Reported at King Ranch Gas Plant in Texas March 18

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=121518>

Madagascar Oil Continues Strong in Aftermath of Coup, E&D Programs Continue in Wake of Political Upheaval

http://www.rigzone.com/news/article.asp?a_id=74156

Landowners in Montana, South Dakota and Nebraska Seek Help from State Governors to Block TransCanada from Using Thinner Steel for Proposed 1,980-mile Oil Pipeline to Bisect Each State

<http://www.argusleader.com/article/20090318/NEWS/903180317/1001/news>

NRC Chairman: 17 Applications Received to Construct 26 New Nuclear Reactors

<http://www.nasdaq.com/aspxcontent/NewsStory.aspx?cpath=20090318\ACODJON200903181107DOWJONESDJO NLINE000713.htm&&mypage=newsheadlines&title=US%20NRC:Has%20Received%2017%20Applications%20To%20Build%20Nuclear%20Reactors>

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

Energy Assurance Daily provides a summary of public information concerning current energy issues. Published Monday through Friday to inform stakeholders of developments affecting energy systems, flows, and markets, it provides highlights of energy issues rather than a comprehensive coverage. *Energy Assurance Daily* is updated online Monday through Friday after 5:00 p.m. EST. For more information, visit the Infrastructure Security and Energy Restoration (ISER) website at:

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

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