



ENERGY ASSURANCE DAILY

Tuesday Evening, April 24, 2012

Electricity

PSO Announces Plan to Install Emissions Controls, Retire One Coal-Fired Unit at Its 946 MW Northeastern Station in Oklahoma to Comply with EPA Regulations

Public Service Company of Oklahoma (PSO), a unit of American Electric Power (AEP), has entered into an agreement in principle with the U.S. Environmental Protection Agency (EPA), the State of Oklahoma, and the Sierra Club that establishes a framework for PSO to comply with EPA regulations affecting PSO's two coal-fired generating units at its Northeastern Station in Oologah, Oklahoma. Under the agreement, PSO would meet specified emissions rates at both Northeastern coal units, install certain emissions control equipment on one of the Northeastern coal units in 2015, and retire the other unit in 2016. The coal unit with the emissions controls would be retired sometime in 2025–26. PSO will file with the Oklahoma Corporation Commission (OCC) an environmental compliance plan that reflects the agreement. The OCC must approve costs associated with the plan before PSO can recover those costs from customers.

<https://www.psoklahoma.com/info/news/viewRelease.aspx?releaseID=1241>

Update: State PSC Gives Final Approval for Mississippi Power Co.'s Proposed 582 MW Coal-Fired Power Plant

The Mississippi Public Service Commission (PSC) on Tuesday voted 2-1 to issue a final approval of Mississippi Power Co.'s coal-fired power plant in Kemper County, according to reports. The PSC had to vote for the plant again after the State Supreme Court in March reversed the PSC's May 2010 approval of the project, saying the regulators didn't prove the plant would benefit the utility's customers. In today's meeting, the PSC was to provide more specifics about why the plant and its projected construction costs are justified. Mississippi Power plans to begin operating the plant in 2014.

<http://www.sunherald.com/2012/04/23/3901107/psc-to-discuss-kemper-county-coal.html#storylink=cpy>

<http://uk.reuters.com/article/2012/04/24/utilities-southern-kemper-idUKL2E8FOB6J20120424>

Update: SCE Reports Progress in Investigating Unusual Tube Wear at Its 2,150 MW San Onofre Nuclear Generating Station in California

Southern California Edison (SCE) on Monday reported some progress in its investigation of the unusual degradation of hundreds of steam generator tubes at the San Onofre Nuclear Generating Station and said it was developing a plan to bring the reactors back online, according to reports quoting SCE officials. Investigators think the tubes have been damaged by friction and vibrations from neighboring tubes and support structures inside the steam generators, but it is still unclear why the tubes have degraded at such an unusual rate. Potential causes could include flaws in the design, construction, or operation of the generators. Operators are working to plug or replace the tubes, depending on the severity of the tube wear, but SCE hasn't estimated a restart date for the reactors.

<http://www.thestate.com/2012/04/23/2247061/ca-nuclear-plant-developing-plan.html>

Entergy's 510 MW Vermont Yankee Nuclear Unit in Vermont Reduced to 33 Percent by April 24

On the morning of April 23 the unit was operating at full power.

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

Update: STP's 1,251 MW South Texas Nuclear Unit 2 in Texas Ramps Up to 82 Percent by April 24

South Texas Project (STP) nuclear Unit 2 is ramping up after an outage that began November 29, when the main generator locked out due to a ground fault that resulted in damage to a rotor and stator coils.

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

Update: Energy Northwest's 1,107 MW Columbia Generating Station Nuclear Unit in Washington at Full Power by April 24

On the morning of April 23 the unit was operating at 85 percent.

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

Update: AES's 506 MW Redondo Gas-fired Unit 7 in California Returns to Service by April 23

The unit returned from an unplanned curtailment of 276 MW.

<http://content.caiso.com/unitstatus/data/unitstatus201204231515.html>

Update: AES's 495 MW Alamitos Gas-fired Unit 6 in California Returns to Service by April 23

The unit returned from an unplanned curtailment of 245 MW.

<http://content.caiso.com/unitstatus/data/unitstatus201204231515.html>

PG&E's 407 MW Helms Hydro Unit 1 in California Returns to Service by April 23

The unit returned from an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201204231515.html>

PG&E's 154 MW Kerkhoff Hydro Unit 1 in California Shut by April 23

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201204231515.html>

Petroleum

Sunoco, Carlyle Group Plan to Run 150,000 b/d on Bakken Crude, Canadian Syncrude at Sunoco's 335,000 b/d Philadelphia, Pennsylvania Refinery – Source

Sunoco, Inc. and potential investor Carlyle Group are planning to make changes at the Philadelphia refinery to run approximately 150,000 b/d of Bakken crude from North Dakota and syncrude from Canada, a source familiar with the plan said on Monday. Earlier test runs with Bakken crude have been successful, according to the report. Sunoco announced yesterday that it has entered into exclusive discussions with the Carlyle Group regarding a potential joint venture involving the Philadelphia refinery. Sunoco continues to operate the plant but has said it will idle it this summer if it is not sold.

Reuters, 14:38 April 23, 2012

Kinder Morgan Announces Binding Open Season for Cochin Pipeline Reversal Project to Move 75,000 b/d of Light Condensate to Alberta

Kinder Morgan Energy Partners yesterday announced the launch of a binding open season to solicit market interest for its Cochin Reversal Project, which would involve modifying the western leg of its Cochin Pipeline to connect to the Explorer Pipeline Company in Kankakee County, Illinois and to reverse the product flow to move the light condensate northwest to Fort Saskatchewan, Alberta, Canada. Subject to shipper support, regulatory approvals, and necessary capital improvements, light condensate shipments could begin on July 1, 2014. The project will provide approximately 75,000 b/d of light condensate capacity on Cochin, providing a new source of supply to meet the growing demand for diluent. Cochin is a multi-product pipeline consisting of approximately 1,900 miles of 12-inch pipeline operating between Fort Saskatchewan, Alberta, and Windsor, Ontario.

<http://phx.corporate-ir.net/phoenix.zhtml?c=119776&p=irol-newsArticle&ID=1686044>

Natural Gas

Southern Union Reports Unit Shutdowns, Flaring at Its 140 MMcf/d Keystone Gas Plant in Texas April 22

Southern Union Gas Services reported its Keystone plant was flaring low-pressure gas after field units went down due to emergency shutdown of the slug catcher, according to a filing with the Texas Commission on Environmental Quality. This in turn caused the low-pressure system to pressure up, knocking down Engines No. 20 and No. 23.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=167621>

Equipment Malfunctions Shut Units at Exterran's 50 MMcf/d Reinecke Gas Plant in Texas April 23

Exterran reported unit No. 40046 went down on a broken lube drive and unit No. 70972 went down due to a bad right-bank turbo late Monday morning, according to filings with the Texas Commission on Environmental Quality. Operators replaced the malfunction parts and placed the units back online.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=167665>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=167669>

Other News

Nothing to report

International News

Nexen's 200,000 b/d Buzzard Oilfield in the North Sea Remains Shut for Repairs after Compressor Malfunction April 21; Ramp-up Planned April 25

Nexen Inc. on Tuesday reported that its Buzzard oilfield in the North Sea remains shut after an incident at one of the platforms Saturday, but repairs are going well and operators expect to ramp up production again Wednesday, according to a spokeswoman. Nexen reported a bearing failure Saturday morning on a gas compressor on the fourth platform of the Buzzard field.

http://www.rigzone.com/news/article.asp?a_id=117205

Update: Iraq Exports First Crude Oil Cargo of 2 Million Barrels from Second New Floating Terminal Offshore Basra April 24

Reuters, 06:50 April 24, 2012

Energy Prices

U.S. Oil and Gas Prices			
April 24, 2012			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	103.13	104.54	111.72
NATURAL GAS Henry Hub \$/Million Btu	1.89	1.88	4.33

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 and 1:00 PM Eastern Time every Wednesday.

Natural Gas Weekly Update from EIA

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

Updated after 2:00 PM Eastern Time every Thursday.

ENERGY ASSURANCE DAILY

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

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