



ENERGY ASSURANCE DAILY

Monday Evening, May 16, 2011

Electricity

Progress Energy's 872 MW Brunswick Nuclear Unit 1 in North Carolina Shut by May 14

The Nuclear Regulatory Commission reported that on the morning of May 13 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/>

FPL's 839 MW Saint Lucie Nuclear Unit 2 in Florida Shut by May 16

The Nuclear Regulatory Commission reported that on the morning of May 15 the unit was operating at full power. The unit had just powered up from a refueling outage.

<http://www.bloomberg.com/news/2011-05-16/u-s-nuclear-output-falls-as-entergy-progress-shut-reactors.html>

Information also derived from the NRC Power Reactor Status Reports:

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

Dynegy's 335 MW El Segundo Gas-Fired Unit 3 in California Returns to Service by May 15

According to the California Independent System Operator, the unit reported a return from an unplanned outage by May 15.

<http://www.caiso.com/unitstatus/data/unitstatus201105151515.html>

Update: Cabrillo Power's 330 MW Encina Gas-Fired Unit 5 in California Shut by May 13

According to the California Independent System Operator, the unit reported an unplanned outage by May 13.

<http://www.caiso.com/unitstatus/data/unitstatus201105131515.html>

Update: AES's 226 MW Huntington Beach Gas-Fired Unit 1 in California Returns to Service by May 13

According to the California Independent System Operator, the unit reported a return from an unplanned outage by May 13.

<http://www.caiso.com/unitstatus/data/unitstatus201105131515.html>

Update: Operators Plan to Restart Luminant's 568 MW Sandow Coal-Fired Unit 4 in Texas May 15

According to a filing with state regulators, the unit will be starting up following the conclusion of repairs. According to a previous filing, the unit was shut by May 13 due to a boiler tube leak.

Reuters, 02:17 May 16, 2011

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=154351>

Update: Entergy's 653 MW Pilgrim Nuclear Unit 1 in Massachusetts Begins to Shut by May 14, Delaying Restart from Planned Refueling

According to a filing with the Nuclear Regulatory Commission (NRC), the unit was operating at 14 percent when it began to shut due to issues related to the "drywell to suppression chamber decay rate." Operators previously reported to the NRC that the unit shut on May 10 due to a reactor protection system actuation signal. The NRC has sent a three-member inspection team to investigate the earlier shutdown. The unit was ramping up from a scheduled refueling outage at that time, according to the filing.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2011/20110516en.html>

http://www.bostonherald.com/business/general/view/20110516nrc_sends_inspection_team_to_pilgrim_nuclear_plan/srvc=home&position=recent

Update: Despite Some Safety Gaps, No Major Safety Problems Found at U.S. Nuclear Plants: NRC

Special inspections undertaken by the Nuclear Regulatory Commission (NRC) found that there are no major safety problems at the U.S.'s nuclear power plants, the NRC reported on May 13. According to the NRC, all "reactors would be kept safe even in the event their regular safety systems were affected by" extreme events. NRC inspectors did find some safety gaps, however, related to emergency systems needed to fight fires, cool reactors, and hold back floods. According to the Christian Science Monitor, the NRC's results appear to contradict the findings of the Institute of Nuclear Power Operations (INPO), which recently reported more significant deficiencies at the country's nuclear facilities.

<http://www.nrc.gov/reading-rm/doc-collections/news/2011/11-081.pdf>

<http://online.wsj.com/article/SB10001424052748704281504576325604225108100.html.html>

<http://www.csmonitor.com/USA/2011/0513/Despite-recent-alerts-nuclear-regulators-give-an-all-safe>

Petroleum

President Obama Directs Administration to Take Action to Increase Domestic Oil Production May 14

The president directed his administration on Saturday to encourage oil production by taking the following steps:

- Extending existing leases offshore Alaska and in the Gulf of Mexico.
- Granting oil companies better financial incentives to use their leases.
- Holding more frequent lease sales in the Alaska National Petroleum Reserve.

<http://edition.cnn.com/2011/POLITICS/05/14/obama.weekly.address/>

<http://www.middletonjournal.com/news/nation-world-news/with-gas-costs-high-obama-to-speed-oil-production-1160455.html>

Update: Plains All American's 187,000 b/d Rainbow Crude Oil Pipeline Shut from Nipisi Terminal to Edmonton as Wildfires Rage in Alberta May 16

Plains All American reported that it has evacuated the site of the Rainbow pipeline oil spill and suspended cleanup efforts due to wildfires that have been burning since May 14. The Rainbow pipeline was last reported to be carrying about half of its capacity south of the Nipisi terminal. Cenovus Energy announced that it is likely to suspend its 22,000 b/d Pelican Lake heavy oil field project in Alberta due to the continued shutdown of the Rainbow pipeline. According to news sources, oil projects owned by Shell and Canadian Natural Resources were also evacuated due to the fires, but Shell later denied the report.

Reuters, 09:20 May 16, 2011

Reuters, 11:25 May 16, 2011

<http://www.upstreamonline.com/live/article256689.ece>

<http://www.vancouversun.com/news/Wildfire+forces+evacuation+Rainbow+pipeline+spill+site/4787132/story.html>

Update: TransCanada Restarts 591,000 b/d, Alberta-to-Oklahoma Keystone Crude Oil Pipeline May 13

The company restarted the line six days after a May 7 spill at the Ludden pumping station in North Dakota.

TransCanada announced that it will make all promised deliveries despite the shutdown.

<http://af.reuters.com/article/energyOilNews/idAFN1325872420110513>

Update: Coker Unit Running at Targeted Rates at ConocoPhillips' 237,000 b/d Sweeny, Texas Refinery May 16

The unit was shut due to a power outage on May 10.

<http://www.foxbusiness.com/industries/2011/05/16/conoco-sweeny-coker-running-power-outage/>

Shell Reports Light Oil Processing Unit Snag at 156,400 b/d Martinez, California Refinery

Reuters, 04:25 May 16, 2011

<http://www.proactiveinvestors.co.uk/columns/ransquawk/5342/energy-markets-report-including-according-to-bank-of-america-oil-will-fall-in-the-second-half-as-high-prices-erode-demand-5342.html>

Operators Say Upset Shuts Deisobutanizer Tower at Valero's 287,000 b/d Port Arthur, Texas Refinery

Reuters, 16:59 May 13, 2011

Natural Gas

Atlas Pipeline Partners Plans Additional Natural Gas Processing Capacity in Oklahoma and Texas

The company announced the following plans:

- Expansion of the WestOK system by adding 200 MMcf/d to its Waynoka gas processing plant in Oklahoma. The expansion will bring the Waynoka plant to a total of capacity of 400 MMcf/d, and the WestOK system as a whole to 428 MMcf/d. As part of the project, the company will also build a 40-mile, 24-inch gathering pipeline. The project is due to be in service by mid-2012.
- Increase capacity of the Velma system by building a 60 MMcf/d cryogenic processing plant, thereby bringing the system up to a total capacity of 160 MMcf/d. This expansion is expected to be in service in the first half of 2012.
- Refurbishing and restarting the Midkiff cryogenic gas processing skid in Texas, thereby adding 60 MMcf/d of capacity to the WestTX system, for a total capacity of 255 MMcf/d. This expansion is expected to be in service in the third quarter of 2011.

<http://phx.corporate-ir.net/phoenix.zhtml?c=113240&p=irol-newsArticle&ID=1563424&highlight>

Other News

Update: Various Facilities Shut or Curtailed along Mississippi River as Waters Rise – USACE Opens Morganza Spillway May 14, Redirecting Flood Waters towards Alon USA's 83,000 b/d Krotz Springs, Louisiana Refinery

The United States Army Corps of Engineers (USACE) opened the Morganza Spillway on Saturday, redirecting water from the Mississippi River to the Atchafalaya basin and towards Alon's Krotz Springs refinery. This was done to reduce potential flooding in Baton Rouge, New Orleans and at facilities along the Lower Mississippi River. According to Alon, its Krotz Springs refinery should be safe from flood waters since new levees have been built in the past few days to protect the facility. Other facilities along the Mississippi River have been affected by rising water levels as well:

- ExxonMobil cut production to 450,000 b/d at its 504,500 b/d Baton Rouge, Louisiana refinery. The company may cut production to 400,000 b/d. The company is using sand bags to protect the facility.
- Magellan Midstream Partners discontinued operations at its 2.8 million barrels Marrero, Louisiana storage terminal near New Orleans, as well as at a 50,000 barrel terminal in Gibson. Both terminals mostly store and distribute heavy oil, according to a company spokesman.
- The U.S. Coast Guard (USCG) reported that 25 barges moored along the Mississippi River broke loose. Four of these barges hit the Highway 190 bridge in Baton Rouge, Louisiana on May 14. All 25 barges were rounded up and pushed up on the banks, according to a USCG spokesman. As of Friday, barge traffic continued to move along the Mississippi with some restrictions but no closures.

<http://www.fema.gov/news/newsrelease.fema?id=55025>

http://www.nola.com/environment/index.ssf/2011/05/morganza_spillway_has_nine_of.html

<http://www.bloomberg.com/news/2011-05-15/alon-usa-krotz-springs-refinery-in-mandatory-evacuation-zone-1-.html>

<http://af.reuters.com/article/energyOilNews/idAFWEN324820110516>

<http://www.therepublic.com/view/story/a97c1bfbe22d40c29a4cdf23507d2a84/LA--River-Flooding-Shipyard-Shuts/>

<http://www.reuters.com/article/2011/05/12/refinery-floods-preparations-idUSN127155720110512>

<http://www.reuters.com/article/2011/05/13/usa-flooding-refineries-idUSN1321098620110513>

<http://online.wsj.com/article/SB10001424052748703730804576321582617602362.html>

<http://www.bloomberg.com/news/2011-05-14/barges-strike-close-mississippi-river-bridge-in-baton-rouge.html>

Update: Natural Gas Pipelines at Risk of Being Disrupted by Flooding along the Atchafalaya River

According to a professor emeritus at Louisiana State University, 15 major pipelines that carry natural gas to the northeastern part of the country run under and over the Atchafalaya River. These pipelines could be disrupted by rising waters.

http://www.nola.com/environment/index.ssf/2011/05/rising_mississippi_river_may_t.html

Update: AE Biofuels Restarts Cilion-Owned 55 MMGas/Yr. Ethanol Plant in Keyes, California May 12

The plant was shut in 2008 for economic reasons.

<http://www.modbee.com/2011/05/15/1689673/ethanol-plant-in-keyes-gets-second.html>

Energy Prices

U.S. Oil and Gas Prices			
May 16, 2011			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	97.38	100.32	71.53
NATURAL GAS Henry Hub \$/Million Btu	4.09	4.60	4.26

Source: Reuters

Energy Notes

Peak of 19,590 Progress Energy Customers Lose Power in Florida May 14

<http://www.progress-energy.com/shared/outages/fla/default.aspx>

Portions of Fire-Prevention Sprinkler System Inoperable at United States Enrichment Corporation's Paducah Gaseous Diffusion Uranium Enrichment Plant in Kentucky May 15

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2011/20110516en.html>

Oil Rig Explodes near Piedmont, Oklahoma after Being Struck by Lighting May 11

<http://www.koco.com/r/27858732/detail.html>

Several Oncor Transformers Destroyed by Lighting in East Fort Worth May 10

<http://www.star-telegram.com/2011/05/10/3066121/fireballs-reported-in-east-fort.html>

Energy Secretary Chu Hails Installation of Over 1,800 Electric Vehicle Charges across the U.S. as Part of the Recovery Act March 13

<http://www.energy.gov/news/10331.htm>

XTO Energy Unable to Send Natural Gas from Texas Q Battery and State University Battery to DCP's Andrews Booster Station in Texas after Station Shuts Due to Electrical Problems May 16

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=154497>

Booster 1 Goes Down at Chevron's Mabee Tank Battery 4 in Texas May 15

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=154488>

Crankcase Overfilled with Oil Leads "#23 Cat" to Shut, Restart at Keystone Gas Plant in Texas May 13

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=154480>

Cedar Hill Gas Plant in Texas Shuts, Restarts Following Tube Failure May 13-15

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=154482>

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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