



ENERGY ASSURANCE DAILY

Friday Evening, June 04, 2010

Major Developments

BP Places Containment Cap on Top of Blow-Out Preventer in Gulf of Mexico, Begins Siphoning Oil and Gas to Surface by June 4

BP was capturing and siphoning to the surface an unknown amount of leaking oil and gas from the blown-out MC 252 oil well in the Gulf of Mexico, it said on June 4. The company cut and removed the riser pipe from the top of the blow-out preventer's (BOP) lower marine riser package, and then placed a containment cap on top of the BOP. BP said it would take one or more days for flow rates to stabilize; it could not estimate how much the containment system was capturing, or how much it might eventually capture. Coast Guard Adm. Thad Allen, however, estimated that the system was capturing about 42,000 gallons a day, or 1,000 b/d. The cap should be able to capture far more than that – more than 90 percent of the leaking oil – once BP enhances the process, according to its Chief Operating Officer. The company intentionally left open four vents to prevent ice-like crystals from forming, he said. It plans to close those vents and capture more oil.

<http://www.bp.com/genericarticle.do?categoryId=2012968&contentId=7062653>

<http://www.chron.com/disp/story.mpl/ap/top/all/7036314.html>

Reuters, 12:01 June 4, 2010

Update: Tropical Storm Would Probably be More Damaging than Powerful Hurricane, in Terms of Gulf Oil Spill: Obama

"A big, powerful hurricane, ironically is probably less damaging with respect to the oil spill because it just disperses everything and the oil breaks up and degrades more quickly," said President Obama. A tropical storm, conversely, would be more likely wash the oil ashore.

Reuters, 20:25 June 3, 2010

Update: Oil Reaches Pensacola Beach, Florida June 4

Reuters, 12:35 June 4, 2010

Update: Louisiana Governor Bobby Jindal and Senator David Vitter Urge Obama to Reconsider Moratorium on Deepwater Offshore Drilling

Reuters, 17:20 June 3, 2010

Update: Oil Futures Rise on Rumors that U.S. Government Planned to Shutdown All Offshore Drilling June 3 – Interior Department, However, Says Shallow Drilling Will Continue

http://online.wsj.com/article/SB10001424052748704025304575284200560659606.html?mod=WSJ_Bonds_RIGHT
[MoreInMarkets](#)

Update: AEP, CPS Energy Restore Power to Most Customers in Texas by June 4 – Storms Knocked Out Electricity to about 167,000 Customers June 2-3

Storms cut power to about 120,000 CPS Energy customers and 47,000 AEP Texas customers on June 2-3, according to news and company sources. Some 2,388 CPS Energy customers and 9,832 AEP Texas customers remained without power, as of latest reports.

CPS Energy: <http://www.cpsenergy.com/CPSEnergyOutageMap.html> ,

http://www.mysanantonio.com/news/local_news/storms_bring_wind_lightening_to_area_95501754.html

AEP Texas: <http://www.aepcustomer.com/outagemap/main.aspx?region=aeptexas> ,

<http://www.caller.com/news/2010/jun/04/aep-continues-work-coastal-bend-outages/>

Storms Knock Out Power to More than 29,500 Customers in Virginia and Maryland June 3

Storms cut power to more than 15,000 Dominion Virginia Power customers and 14,500 Baltimore Gas and Electric (BGE) customers in Maryland on June 3, multiple sources reported. Fewer than 1,700 Dominion customers and just 136 BGE customers were without power, as of latest reports.

http://www2.insidenova.com/isn/news/local/article/strong_storms_roll_through_region/58614/

http://www.washingtonpost.com/wp-dyn/content/article/2010/06/03/AR2010060304397.html?wprss=rss_metro/va

<http://www.hometownannapolis.com/news/for/2010/06/04-50/13300-lose-power-after-thunderstorms.html>

<http://www.bge.com/portal/site/bge/menuitem.eb0798e0c710ad25c7b0eb22747176a0/>

<http://www.dom.com/storm-center/dominion-electric-outage-summary.jsp>

Update: Dominion's 917 MW North Anna Nuclear Unit 2 in Virginia Ramped Up to 98 Percent by June 4

The unit shut automatically on May 28 due to the "loss of reactor coolant pump," the company said in a previous filing with the Nuclear Regulatory Commission (NRC). The NRC reported that on the morning of June 3 the unit was operating at 7 percent.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2010/20100528en.html>

Information also derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2010/>

After Brief Shutdown, Luminant to Restart 793 MW Monticello Coal-Fired Unit 3 in Texas

The unit tripped by June 3 "due to a high temperature signal in the superheat-section of the boiler," Luminant said in a filing with state regulators. The company expected to restart the unit on June 3-4, according to a separate filing.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=140556>

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=140576>

Energy Northwest's 1,107 MW Columbia Generating Station Nuclear Unit in Washington Reduced to 55 Percent by June 4

The Nuclear Regulatory Commission reported that on the morning of June 3 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/2010/>

Update: Duke Energy's 510 MW Moss Landing Gas-Fired Unit 2 in California Returns to Service by June 3

According to the California Independent System Operator, the unit reported a return from an unplanned curtailment of 320 MW.

<http://www.caiso.com/unitstatus/data/unitstatus201006031515.html>

Cabrillo Power's 106 MW Encina Gas-Fired Unit 1 in California Shut by June 3

According to the California Independent System Operator, the unit reported an unplanned outage by June 3.

<http://www.caiso.com/unitstatus/data/unitstatus201006031515.html>

Update: SCE&G's 966 MW Summer Nuclear Unit in South Carolina at Full Power by June 4

The Nuclear Regulatory Commission reported that on the morning of June 3 the unit was operating at 89 percent. Information derived from the NRC Power Reactor Status Reports:
<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2010/>

Update: Luminant Opens 800 MW Oak Grove Coal-Fired Unit 2 in Texas by June 3

The unit is "moving into the final on-line testing phase," the company said on June 3.
http://www.luminant.com/plants/pdf/OakGrove_Facts.pdf
<http://www.energyfutureholdings.com/news/newsrel/detail.aspx?prid=1337>

Exelon to Replace All Six Main Power Transformers at 2,304 MW Peach Bottom Nuclear Power Plant in Pennsylvania

The company plans to transport three main power transformers next week from Havre de Grace, Maryland to the Peach Bottom nuclear power facility in Delta, Pennsylvania.
http://www.exeloncorp.com/Newsroom/pr_20100602_nuclear_peachbottomtransformers.aspx

Montana-Dakota Utilities Plans 30-Mile High-Voltage Transmission Line in North Dakota

The line would deliver electricity from enXco's proposed 150 MW wind farm to the Midwest electric grid, according to the state's Public Service Commissioner.
http://www.kfyrtv.com/News_Stories.asp?news=40555

Petroleum

ConocoPhillips Shuts Units after Power Failure at 306,000 b/d Wood River, Illinois Refinery June 3-4

The company shut a hydrocracker and a reformer, according to an unidentified source. Reuters, 10:36 June 4, 2010

Update: Citing Improving Margins, Valero May Restart 235,000 b/d Aruba Refinery in 2010

Valero plans to begin 90 days of maintenance at some point over the next few weeks, and may re-open the facility later in 2010, it said on June 3. The company shut the facility in July, citing economic conditions, weak margins and tax issues, according to Reuters.
<http://www.reuters.com/article/idUSN0311892220100603?type=marketsNews>

Update: Shell to Convert 130,000 b/d Montreal East Refinery to Terminal

Shell sought to find a buyer for 11 months, but that process proved unsuccessful. The terminal would receive gasoline, diesel, and aviation fuels, the company said in January 2010.
http://www.tradingmarkets.com/news/stock-alert/scuaf_shell-reaches-decision-on-montreal-east-refinery-965976.html
http://www.shell.ca/home/content/can-en/aboutshell/media_centre/news_and_media_releases/2010/jan07_montreal_east_refinery.html

Gavilon Plans 4 Million Barrel Oil Storage Project in Cushing, Oklahoma

Gavilon Pipeline and Storage, LLC, a subsidiary of The Gavilon Group, LLC, plans to construct aboveground tanks with the capacity to store more than 4 million barrels of crude oil, it said on June 4. The company expects to complete the project during the third quarter of 2011.
<http://www.gavilon.com/documents/060410CushingFINAL.pdf>

Natural Gas

Cheniere Energy to Add Export Capabilities at Sabine Pass LNG Terminal in Louisiana

Cheniere Energy, Inc. plans to add liquefaction services at its Sabine Pass LNG receiving terminal in Cameron Parish, Louisiana, the company said on June 3. The project would transform the terminal into a bi-directional facility, capable of liquefying and exporting natural gas in addition to importing and regasifying foreign-sourced LNG. The initial project would include two trains with liquefaction capacity of about 1 Bcf/d. The company could begin LNG exports as soon as 2015.

<http://phx.corporate-ir.net/phoenix.zhtml?c=101667&p=irol-newsArticle&ID=1434471&highlight=>

Other News

Western Coal to Re-Open 900,000 Tonnes/Year Willow Creek Metallurgical Coal Mine in British Columbia, Canada – Company Eyes Expansion to 1.7 Million Tonnes/Year

Western Coal Corp plans to re-open the mine two months ahead of schedule, it said on June 4. It also aims to increase the mine's production from 900,000 tonnes/year to 1.7 million tonnes/year by late 2011. The mine was offline for "care and maintenance," according to Reuters.

http://www.westerncoal.com/pdf/Willow_Creek_Mine_Opening_FINAL_v2.pdf

<http://www.reuters.com/article/idUSN049893320100604?type=marketsNews>

Energy Prices

U.S. Oil and Gas Prices			
June 4, 2010			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	72.40	74.37	69.38
NATURAL GAS Henry Hub \$/Million Btu	4.46	4.22	3.81

Source: Reuters

Energy Notes

Transmission Issues Knock Out Power for up to 20,000 Delmarva Customers in Delaware – Company Restores Power to Most in Less than Two Hours

<http://www.delawareonline.com/article/20100603/NEWS/100603068/Power+restored+in+North+Wilmington>

Dominion Virginia Power to Shutter 63 MW Altavista Coal-Fired Power Plant in Virginia by End of Summer 2010, Citing Costs

http://www2.timesdispatch.com/rtd/business/energy/article/B-DOMI04_20100603-215405/348872/

Update: New Jersey DEP Tells Exelon to Drill Wells in Cohanse Aquifer, Search for Signs of Tritium-Contaminated Groundwater - State Said Previously that Tritium Leaked from Exelon's Oyster Creek Nuclear Power Plant

http://www.philly.com/inquirer/local/20100604_Nuclear_plant_s_owners_must_dig_more_test_wells.html

Lightning Likely to Blame for Power Blip and SRU Snag at Flint Hills Resources' 288,126 b/d Corpus Christi, Texas Refinery June 3

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=140554>

High Benzene Levels Found near Irving Oil's 300,000 b/d Saint John, New Brunswick Refinery by June 4

<http://www.irvingoil.com/company/refinery.asp>

<http://www.cbc.ca/canada/new-brunswick/story/2010/06/03/nb-air-quality-report.html>

Leak along DCP Goldsmith Plant's NGL Pipeline by June 3

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=140563>

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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