



# ENERGY ASSURANCE DAILY

Tuesday Evening, August 24, 2010

## *Electricity*

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### **Storms Cut Electricity to about 100,000 CenterPoint Energy Customers in Texas August 23**

The company restored power to most affected customers by this morning.

<http://www.chron.com/dispatch/story.mpl/metropolitan/7168513.html>

<http://www.myfoxboston.com/dpp/weather/100824-storm-damage-outages>

### **Storms Knock Out Power to 36,000 We Energies Customers in Wisconsin August 20**

The company restored power to all affected customers by August 22.

<http://wcco.com/wireapnews/Power.restored.to.2.1873052.html>

### **Substation Failures Knock Out Power to BC Hydro Customers in Vancouver, British Columbia Three Times in Three Days**

Three apparently unrelated failures at a substation in South Vancouver, British Columbia knocked out power to BC Hydro customers three times in three days, multiple news and company sources reported. The first incident cut power to about 62,000 customers for approximately one-and-a-half hours on August 21. The second failure knocked out power to 27,000 customers for about three hours on August 23. The third snag, also on August 23, cut electricity to 20,000 customers. BC Hydro had restored power to all customers affected by the August 23 outage by yesterday evening.

[http://www.ctvbc.ctv.ca/servlet/an/local/CTVNews/20100823/bc\\_power\\_out\\_evening\\_100823/20100823?hub=BritishColumbiaHome](http://www.ctvbc.ctv.ca/servlet/an/local/CTVNews/20100823/bc_power_out_evening_100823/20100823?hub=BritishColumbiaHome)

<http://www.theprovince.com/life/Vancouver+power+restored+after+second+major+failure+hours/3432508/story.html>

<http://www.news1130.com/news/local/article/92731--bc-hydro-3-outages-in-3-days-in-vancouver-unusual>

### **Power Issue Causes Amtrak to Stop Train Service between New York City and Washington, D.C. August 24**

Electrical issues caused New Jersey Transit and Amtrak to halt train service for one hour along the Northeast Corridor line this morning, August 24, multiple news and official sources reported. The shutdown began at 7:45 AM and ended at about 9 AM. The incident shut down Amtrak trains between New York City and Washington, D.C. It also impacted Maryland Area Regional Commuter (MARC), Southeast Pennsylvania Transportation Authority (SEPTA), and New Jersey Transit, Amtrak said. At about 10 AM, the affected corridor was "still slowly recovering," according to an Amtrak spokesman. The Long Island Rail Road, separately, canceled 25 percent of its trains this morning due to an electrical fire on Monday.

<http://www.msnbc.msn.com/id/38829595>

<http://www.cnn.com/2010/TRAVEL/08/24/northeast.amtrak.trains/>

<http://cityroom.blogs.nytimes.com/2010/08/24/nj-transit-and-amtrak-hobbled-this-morning-too/>

<http://cityroom.blogs.nytimes.com/2010/08/24/l-i-r-r-operating-at-75-percent/>

### **Update: TVA Ramps up Units 1 and 2 at 3,391 MW Browns Ferry Nuclear Power Plant in Alabama by August 24**

The Tennessee Valley Authority (TVA) ramped up its 1,155 MW Unit 1 to 92 percent power and its 1,118 MW Unit 2 to 81 percent power, from 70 percent each yesterday morning, the Nuclear Regulatory Commission (NRC) reported. Operators have reduced the units multiple times in recent weeks due to state rules that forbid downstream river temperatures from exceeding upstream temperatures, in the event that ambient water temperatures exceed 90 degrees. The facility "inadvertently exceeded" the limitation on August 16, TVA said in a previous filing with the Nuclear Regulatory Commission.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2010/20100817en.html>

<http://www.wsfa.com/Global/story.asp?S=13002546>

Information also derived from the NRC Power Reactor Status Reports:

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

### **Update: Exelon Continues to Ramp up Both Units at 2,315 MW Braidwood Nuclear Power Plant in Illinois by August 24**

Exelon ramped up the 1,161 MW Unit 1 to full power and the 1,154 MW Unit 2 to 85 percent power at its 2,315 MW Braidwood nuclear power plant in Illinois by August 24, the Nuclear Regulatory Commission (NRC) reported. Unit 1 was operating at 86 percent yesterday morning, and Unit 2 was running at 48 percent, according to the NRC. Unit 2 shut automatically on August 16 "due to a main generator fault," Exelon said previously. Unit 1 shut automatically, also on August 16, "after water came in contact with an electrical bus" and caused "the system to de-energize," according to Exelon.

[http://www.exeloncorp.com/newsroom/pr\\_20100823\\_Nuclear\\_.aspx](http://www.exeloncorp.com/newsroom/pr_20100823_Nuclear_.aspx)

Information also derived from the NRC Power Reactor Status Reports:

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

### **Entergy's 858 MW Arkansas Nuclear Unit 2 in Arkansas Shut by August 24**

Entergy shut the unit after a "planned emergency diesel generator outage" surpassed "allowed time," the company said in a filing with the Nuclear Regulatory Commission (NRC). The company was required to shut the unit after the generator outage "exceeded the allowed 14 day time clock," according to the filing. The Nuclear Regulatory Commission reported that on the morning of August 23 the unit was operating at 83 percent.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2010/20100824en.html>

Information also derived from the NRC Power Reactor Status Reports:

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

### **Update: AEP to Restart 558 MW Welsh Coal-Fired Power Plant in Texas August 23-25**

American Electric Power (AEP) planned to restart its 558 MW Welsh coal-fired power plant in Texas on August 23-25, it said in a filing with state regulators. The unit shut due to a "generator excitation loss," according to a previous filing.

<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=143840>

<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=143844>

### **Update: AMP Plans 600 MW Gas-Fired Power Plant in Meigs County, Ohio**

American Municipal Power, Inc. (AMP) plans to pursue a 600 MW gas-fired power plant in Meigs County, Ohio on the same site where it had proposed to construct a coal-fired facility, the company said on August 23. AMP expects the move to save more than \$100 million through 2020.

[http://amppartners.org/pdf/news\\_releases/ampgs-ngcc-release.pdf](http://amppartners.org/pdf/news_releases/ampgs-ngcc-release.pdf)

<http://www.dispatch.com/live/content/business/stories/2010/08/23/amp-plans-natural-gas-plant.html?sid=101>

### **Update: Exelon to Begin Decommissioning Zion Nuclear Power Plant in Illinois in September**

Exelon plans to begin a ten-year process in September 2010 to decommission the Zion nuclear power plant in Illinois, part of a five-year plan to invest \$4.6 billion in the state of Illinois, the company said on August 23. EnergySolutions, under a license-transfer deal, is expected to dismantle the Zion plant – shut since 1998 – and remove material and parts to its waste facility in Utah. Exelon's \$4.6 billion program includes 101 projects, including the Zion decommissioning. The company also plans to upgrade equipment at six nuclear power plants.

[http://www.exeloncorp.com/newsroom/pr\\_20100823\\_Nuclear\\_ZionDecommissioning.aspx](http://www.exeloncorp.com/newsroom/pr_20100823_Nuclear_ZionDecommissioning.aspx)

<http://www.exeloncorp.com/powerplants/zion/Pages/profile.aspx>

## **Exelon to Invest \$4.6 Billion in Numerous Projects over Five-Year Span**

Exelon plans to invest \$4.6 billion in 101 projects over the next five years in Illinois, the company said on August 23. The projects include the decommissioning of the Zion nuclear power plant (see previous story). Exelon also expects to:

- Invest \$1.4 billion in uprates at six Illinois nuclear stations, increasing electric capacity by 420 MW.
- Execute additional plant upgrades and 33 nuclear plant refueling operations at its six Illinois nuclear power plants through 2015.

[http://www.exeloncorp.com/newsroom/pr\\_20100823\\_Nuclear\\_ZionDecommissioning.aspx](http://www.exeloncorp.com/newsroom/pr_20100823_Nuclear_ZionDecommissioning.aspx)

## **ERCOT Breaks Electricity Demand Record for Fourth Time in August**

The Electric Reliability Council of Texas, Inc. (ERCOT) set a new electricity demand record with 65,715 MW on August 23 between 4 and 5 PM. The new peak demand exceeded the previous week's record of 64,805 MW and marked the fourth record-breaking day in August. ERCOT cited high temperatures for the latest demand surge.

[http://www.ercot.com/news/press\\_releases/2010/nr-08-23-10](http://www.ercot.com/news/press_releases/2010/nr-08-23-10)

## **Petroleum**

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### **Update: BP Begins Operations to Remove Drill Pipe from BOP at Blown-Out Well in Gulf of Mexico August 21**

Following a successful ambient pressure test at the blown-out MC252 well in the Gulf of Mexico, BP began a process to remove drill pipe from the well's Blow Out Preventer (BOP) on August 21, it said in a release. Once it completed that work, the company expected to begin replacing the original BOP with the BOP from the Transocean Development Driller II (DDII). BP hoped to remove the failed BOP on August 25, according to National Incident Commander Thad Allen.

<http://www.bp.com/genericarticle.do?categoryId=2012968&contentId=7064574>

Reuters, 14:05 August 23, 2010

### **Update: Enbridge Apportions Space along Pipelines in Canada and U.S. Midwest, Citing Continued Shutdown of 190,000 b/d 30-inch, Indiana-to-Ontario Lakehead System Line 6B**

Enbridge reduced shipper nominations by 26 percent along its 490,000 b/d, Wisconsin-to-Ontario Line 5 and by 23 percent along its 400,000 b/d Wisconsin-to-Illinois Line 61, the company said on August 23, citing the continued shutdown of its 190,000 b/d, 30-inch, Indiana-to-Ontario Lakehead System Line 6B. A separate source, also citing Enbridge, said the company was reducing throughput along two oil pipelines by a combined 199,000 b/d. Enbridge shut the damaged line in late July after it spilled about 19,000 barrels of oil into a creek near a Marshall, Michigan pump station. Traders and shipbrokers also reported that the extended shutdown had led Canadian refineries to import more oil from the North Sea: sources reported that at least one ship, the Suezmax Valtamed, had been assigned to deliver oil from Scotland to Portland, Maine. Enbridge, separately, said cleanup efforts continued near the site of the spill. More than 171,162 feet of absorbent and containment boom had been deployed at 41 control points, and more than 63,000 gallons of oil had been recovered, as of August 23.

<http://af.reuters.com/article/energyOilNews/idAFN2321254420100823>

[http://www.upi.com/Science\\_News/Resource-Wars/2010/08/24/Enbridge-cuts-oil-capacity-in-pipelines/UPI-63011282652957/](http://www.upi.com/Science_News/Resource-Wars/2010/08/24/Enbridge-cuts-oil-capacity-in-pipelines/UPI-63011282652957/)

<http://online.wsj.com/article/BT-CO-20100824-707338.html>

<http://response.enbridgeus.com/response/main.aspx?id=13123>

### **Update: BP Plans Pressure Tests ahead of Restart of Indiana-to-Illinois Oil Product Pipeline**

BP expected to perform pressure tests prior to restarting its Indiana-to-Illinois White Oak oil product pipeline, the company said on August 23, days after the line spilled more than 1,700 gallons of oil and water into a local sewer system. A one-inch crack was thought to be the source of the leak. The affected system delivers products from BP's 405,000 b/d Whiting, Indiana refinery to terminals in Chicago and Manhattan, Illinois, according to an earlier article from the Wall Street Journal. It was not clear if the incident had impacted operations at the Whiting, Indiana refinery or at either of the associated terminals.

<http://abclocal.go.com/wls/story?section=news/local&id=7626555>

<http://www.jconline.com/article/20100820/NEWS09/100820006/BP-says-fuel-leak-stopped-into-Hammond-sewers>

<http://online.wsj.com/article/BT-CO-20100818-709488.html>

### **Update: Frontier Oil Completes Repairs to Fire-Damaged Crude Unit at 52,000 b/d Cheyenne, Wyoming by August 23**

Frontier Oil completed repairing a fire-damaged crude unit at its 52,000 b/d Cheyenne, Wyoming refinery by August 23, and the company expected to resume throughput and production later this week, it said on August 23. The unit shut due to a July 28 fire.

<http://investor.shareholder.com/fto/releasedetail.cfm?ReleaseID=501712>

### **Enbridge Plans 145,000-325,000 b/d Expansion along Bakken Oil Pipeline System in Montana, North Dakota, Manitoba, and Saskatchewan.**

Enbridge Energy Partners L.P. and Enbridge Income Fund plan to jointly expand oil pipeline capacity in the Bakken and Three Forks formations in Montana, North Dakota, Manitoba, and Saskatchewan, the companies said on August 24. The Bakken Expansion Program will increase takeaway capacity from the Bakken play by 145,000 b/d, but could be expanded to 325,000 b/d. The expansion program will start at Beaver Lodge Station near Tioga, North Dakota, and deliver oil to the Enbridge mainline terminal at Cromer, Manitoba. Enbridge expects it to provide about 145,000 b/d of incremental capacity from North Dakota into its Mainline at Cromer, Manitoba by the first quarter of 2013.

<http://www.enbridge.com/MediaCentre/News.aspx?yearTab=en2010&id=1308731>

### **Update: Crews Begin Relief Well Drilling at Site of Blown-Out Oil Well near Belle Rose, Louisiana**

Crews began drilling a relief well at the site of a blown-out Mantle Oil and Gas LLC-owned oil well near Belle Rose, Louisiana, but the work could last three to six weeks, the Assumption Parish Office of Homeland Security and Emergency Preparedness said in a release by August 23. The well blew out on August 11, spilling more than 44,000 barrels of oil, gas condensate and brine. That oil, however, had been captured by a surrounding dike. Workers were vacuuming the spilled material, as of latest reports.

Reuters, 18:44 August 23, 2010

### **Update: CNPC, Partners to Increase Production to 70,000 b/d in 2011 at Existing 3,000 b/d Halfaya Oilfield in Iraq**

China National Petroleum Company (CNPC), Total, and Petronas plan to increase oil production to 70,000 b/d in 2011 at the existing 3,000 Halfaya oilfield in Iraq, a CNPC official said on August 24. Total said previously that output would rise to 535,000 b/d by 2016.

Reuters, 12:50 August 24, 2010

### **Update: Iraq Restarts Kirkuk-Ceyhan Oil Pipeline after Rupture-Induced Shutdown**

Iraq "resumed testing pumping" along the Kirkuk, Iraq-to-Ceyhan, Turkey oil pipeline, a source at its North Oil Co. said on August 24, after a rupture forced shut the line for days. The source expected the line to resume normal rates "if there is no problem in the pipe in the next 24 hours."

Reuters, 13:00 August 24, 2010

## ***Natural Gas***

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### **Mitsubishi and Penn West Plan Approximately 470 MMcf/d Natural Gas Production Expansion in British Columbia, Canada**

Mitsubishi Corporation and Penn West Energy Trust plan to jointly boost natural gas production by 470 MMcf/d at Penn West's existing 30 MMcf/d project in the Cordova Embayment of northeastern British Columbia, Canada. Mitsubishi believes that the location contains about 5-8 trillion cubic feet of natural gas.

<http://www.mitsubishicorp.com/jp/en/pr/archive/2010/html/0000010994.html>

### **Icon NGS, LLC Launches Open Season for Planned 24 Bcf Tallulah Gas Storage Project in Louisiana August 24**

Icon NGS, LLC launched a 30-day, nonbinding open season on August 24 for its proposed 24 Bcf Tallulah Gas Storage project in Louisiana. The project is expected to include three 8 Bcf high-deliverability, multi-cycle salt caverns, 900 MMcf/d of injection capacity, and 1,575 MMcf/d of withdrawal capacity. The company plans to open the first cavern in September 2013, the second cavern in September 2014, and the third cavern in September 2015.

<http://www.icon-ngs.com/images/UserFiles/file/Tallulah%20Gas%20Storage%20Open%20Season%20August%202010.pdf>

## Other News

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### Poet Sees No Damage after Small Fire at 100 MMGal/Yr. Chancellor, South Dakota Ethanol Plant August 23

The fire occurred after workers discovered an issue with the DDGS dryer system, a spokesman said. As they worked to shut that system, some dust ignited and triggered the blaze. The fire was quickly extinguished and the plant continued to operate.

<http://www.argusleader.com/article/20100824/UPDATES/100824008/-1/DATABASE01>

<http://www.ksfy.com/Global/story.asp?S=13032506>

[http://www.poet.com/inspiration/showPlant\\_Page.asp?id=5](http://www.poet.com/inspiration/showPlant_Page.asp?id=5)

## Energy Prices

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U.S. Oil and Gas Prices August 24, 2010			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	71.44	76.35	73.97
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	4.12	4.37	2.78

Source: Reuters

## Energy Notes

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### Storms Cut Power to up to 12,000 Rocky Mountain Power Customers in Utah August 22 – Company Restores Power to Most by Evening of August 23

<http://www.sltrib.com/sltrib/home/50152775-76/power-customers-mountain-restored.html.csp>

### Copper Theft to Blame as 2,500 Entergy Customers Lose Power Briefly in Baton Rouge, Louisiana August 23

<http://www.2theadvocate.com/news/police/101355249.html>

### NRC Okays Northern States Power Company's Bid to Boost Capacity by 18 MW at Existing 1,096 MW Prairie Island Nuclear Power Plant in Minnesota

<http://www.nrc.gov/reading-rm/doc-collections/news/2010/10-145.pdf>

### Update: NRC Publishes Volume 1 of Yucca Mountain Safety Evaluation Report by August 23 – Volume Contains Staff's Evaluation of "Generation Information" Section of DOE License Application, but Does Not Represent Decision

<http://www.nrc.gov/reading-rm/doc-collections/news/2010/10-147.pdf>

### Update: DNRE Rejects HBPW's Plans to Construct 78 MW Coal-Fired Power Plant in Holland, Michigan – Department Says Facility is Not Necessary

<http://www.freep.com/article/20100821/NEWS05/8210312/Coal-fired-plant-rush-burns-out>



**Compressor Shutdown Leads to Flaring at Chevron's 260,000 b/d El Segundo, California Refinery August 23**

<http://www.oes.ca.gov/Operational/MALHaz.nsf/f1841a103c102734882563e200760c4a/c670270a9e38ebb188257789000c494e?OpenDocument>

**Commodity Weather Group Says Likely Mild Winter Could Curb Demand for Natural Gas and Heating Oil**

Reuters, 13:05 August 23, 2010

**Update: Bacteria Appear to Have Consumed Underwater Oil Plume from Deepwater Horizon Spill in Gulf of Mexico: Lawrence Berkeley National Laboratory Ecologist**

<http://www.popsoci.com/science/article/2010-08/bacteria-ate-oil-plume-new-study-says>

**Update: Administration Suspected Deepwater Drilling Moratorium Would Result in about 23,000 Job Losses and Halt Much as \$10.2 Billion in Investments: Internal Documents**

[http://www.rigzone.com/news/article.asp?a\\_id=97749](http://www.rigzone.com/news/article.asp?a_id=97749)

**Alberta Oilsands Inc. Announces Contingent Resources Assignment of 79.9 Million (Net) Barrels of Bitumen to its Hangingstone East Property in Alberta, Canada**

<http://online.wsj.com/article/BT-CO-20100824-707338.html>

**Lawyers Road LLC and Cycle Systems Plan Waste Oil Recycling Plant in Campbell County, Virginia**

<http://www2.newsadvance.com/news/2010/aug/23/waste-oil-recycling-request-okd-campbell-planners-ar-469760/>

**E.ON Ruhrgas to Employ 30,000 b/d Sevan Voyageur FPSO at Planned Huntington Oil and Gas Field Offshore UK North Sea**

[http://www.rigzone.com/news/article.asp?a\\_id=97785](http://www.rigzone.com/news/article.asp?a_id=97785)

**OPEC Nations to Boost Oil Refining Capacity by about 12 Million b/d over Next Five Years: OPEC Secretary General**

[http://www.downstreamtoday.com/news/article.aspx?a\\_id=23807](http://www.downstreamtoday.com/news/article.aspx?a_id=23807)

**Iraq Increases Security at Oil Facilities amid Warnings over Potential Terrorist Attacks**

<http://af.reuters.com/article/energyOilNews/idAFLDE67M1FZ20100823>

**Update: Hearings Officer Gives Conditional Approval to Oregon Pipeline, LLC's Planned 36-Inch LNG Pipeline through Clatsop County, Oregon**

<http://www.dailystorian.com/Main.asp?SectionID=2&ArticleID=72762>

**Nabucco Developers Drop Plans to Construct Natural Gas Supply Pipeline from Iran – Companies Still Expect to Pursue Supply Lines from Georgia and Iraq**

<http://online.wsj.com/article/BT-CO-20100823-705024.html>

**New York to Study Potential for Underground CO2 Storage in State**

[http://www.downstreamtoday.com/news/article.aspx?a\\_id=23803](http://www.downstreamtoday.com/news/article.aspx?a_id=23803)

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## **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](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>

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