



ENERGY ASSURANCE DAILY

Friday Evening, October 29, 2010

Electricity

Update: After Wind Storms, Utilities Restore Power to Most Customers across U.S. Midwest and Canada by October 29

Some 28,000 Consumers Energy customers in Michigan and 8,995 Wisconsin Public Service customers in Wisconsin remained without power on October 29, days after wind storms knocked out power to more than 1.2 million customers across the U.S. Midwest and Canada, multiple sources reported. The remaining utilities had restored power to most affected customers, as of latest reports. To see a full list of affected utilities and links to other companies' outage pages, please see yesterday's Energy Assurance Daily.

<http://www.consumersenergy.com/News.aspx?id=3588&year=2010>

<http://www.wisconsinpublicservice.com/outagesummary/view/outagegrid.aspx>

FPL Discovers Corrosion in Containment Liner at Turkey Point Nuclear Power Plant in Florida

FPL discovered "a serious degradation of the Containment liner" during inspections on October 22 and 24 at its Turkey Point nuclear power plant in Florida, the company said in a filing with the Nuclear Regulatory Commission (NRC). The corrosion included "through wall areas." The unit was offline for refueling at the time of the discovery, and FPL said it would repair the corroded areas before it resumed operations. A spokesman said there was no danger to the public. She said there was "no evidence of radiation release," or "of concrete degradation behind the steel carbon liner."

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2010/20101026en.html>

<http://www.platts.com/RSSFeedDetailedNews/RSSFeed/Nuclear/6552175>

TVA Studying Whether to Mothball 753 MW Allen Coal-Fired Power Plant in Tennessee, Replace Unit with Gas-Fired Facility

The Tennessee Valley Authority (TVA) is studying whether to permanently shutter its 753 MW Allen coal-fired power plant near Memphis, Tennessee and replace the unit with a gas-fired facility. The company does not expect to make a decision before spring 2011. It aims to retrofit the Allen facility or construct a replacement gas-fired facility by 2015.

<http://www.knoxnews.com/news/2010/oct/29/tva-considers-switching-coal-gas-memphis/>

<http://www.tva.gov/sites/allen.htm>

STP Seeks NRC Approval to Renew Operating Licenses at 2,700 MW South Texas Nuclear Power Plant in Texas

STP Nuclear Operating Company filed an application with the Nuclear Regulatory Commission (NRC) to extend the operating licenses by 20 years for both units at the existing 2,700 MW South Texas nuclear power plant in Texas, the company said on October 28. The extension would allow the units to continue operating through 2047 and 2048, respectively.

http://www.stpnoc.com/press_releases.htm

Update: Halliburton Says it Did Not Perform Stability Test on Cement Mix that BP Used in Deepwater Horizon Well

Halliburton did not perform a stability test on the cement mix that was used to seal the Deepwater Horizon oil well in the U.S. Gulf of Mexico, the company said on October 28. The cement mix has been cited as at least partly to blame for the well's fatal April blowout. Halliburton said that BP altered the mix at the last minute, and that it never tested the final mixture. Halliburton's admission followed a statement from the president-appointed oil spill commission that Halliburton's pre-explosion tests had demonstrated the cement was actually unstable.

<http://www.ktvu.com/nationalnews/25552192/detail.html>

ExxonMobil Shuts Unit to Repair Leak at 567,000 b/d Baytown, Texas Refinery

ExxonMobil de-pressured a raffinate hydroconversion unit (RHC) to repair a leak at its 567,000 b/d Baytown, Texas refinery on October 27, the company said in a filing with state regulators. "There was no impact on supply and all customer needs are being met," according to the filing.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=146738>

Reuters, 17:34 October 28, 2010

Power Outage Leads to Flaring at ConocoPhillips 362,000 b/d Wood River, Illinois Refinery October 28

The company stabilized the facility's operating units and the system was restarting, according to a regulatory filing. It was not clear if the incident had any impact on production.

Reuters, 00:26 October 29, 2010

ConocoPhillips Postpones Plans to Restart FCC at 247,000 b/d Belle Chasse, Louisiana Refinery

ConocoPhillips postponed by one week plans to restart a gasoline-producing fluid catalytic cracking unit (FCC) at its 247,000 b/d Belle Chasse, Louisiana refinery, according to a trade source. The company began working on the unit in early September, but had expected to restart it at the end of October.

Reuters, 12:33 October 29, 2010

ConocoPhillips to Restart CDU in Late November at 238,000 b/d Bayway Refinery in Linden, New Jersey

ConocoPhillips plans to restart the crude distillation unit (CDU) from planned work in late November, instead of early November, as previously expected, according to a source familiar with the facility's operations. The company shut the unit on September 23; it had expected the work to last about 45 days.

Reuters, 10:47 October 29, 2010

Equipment Snag Triggers Flaring at Coffeyville Resources' 115,700 b/d Coffeyville, Kansas Refinery October 28

The company was attempting to return the affected unit to normal service, it said in a regulatory filing.

Reuters, 00:16 October 29, 2010

Update: After Vessel Collision, Sabine-Neches Waterway Reopens October 28 - Waterway Supplies Four Texas Refineries

The Sabine-Neches Waterway reopened yesterday afternoon after an approximately 14-hour shutdown, the U.S. Coast Guard said. A vessel collision had forced shut the waterway to vessel traffic south of the Intracoastal Waterway. The affected waterway partly supplies four Texas refineries, but the incident did not impact operations at any of those facilities, according to the companies.

<http://af.reuters.com/article/energyOilNews/idAFN2825411820101028>

<http://www.reuters.com/article/idUSWEN207920101028>

<http://www.d8externalaffairs.com/go/doc/425/930303/>

U.S. Oil-and-Gas Well Completions Surge in Third Quarter of 2010, Compared to Same Quarter in 2009: API

An estimated 11,297 oil wells, natural gas wells and dry holes were completed in the third quarter of 2010, a 45 percent jump from last year's third quarter, according to the American Petroleum Institute's (API) newly-released 2010 Quarterly Well Completion Report: Third Quarter. Oil well completions surged 60 percent, to an estimated 5,451 well total. API estimates showed a resurgence in oil well completion activity in the third quarter, with completions rising to an estimated 5,451 oil wells, a 60 percent jump from year-ago levels. An estimated 4,434 natural gas wells were completed in the third quarter of 2010, a 28 percent increase from 2009's third quarter. For the first three quarters of the year, estimated natural gas well completions dipped 3 percent from a year ago to 12,677, while oil well completions rose 21 percent to an estimated 13,865.

<http://www.api.org/Newsroom/drilling-activity-up.cfm>

Update: Workers End Strikes at French Ports, Refineries by October 29 – Multiple Refineries Prepared to Resume Production, Pending Crude Supplies

Workers voted to end strikes at the Fos Lavera and Le Havre oil ports and at all of France's operating refineries by October 29, but it was expected to take several days for the refineries – still short on crude supplies – to resume normal production. It was also expected to take as long as 15 days to clear the backlog of crude oil tankers at the Fos-Lavera port, according to trade and shipping sources. Several of the nation's 11 operating refineries had begun restart procedures or were awaiting crude supplies, as of latest reports.

<http://af.reuters.com/article/energyOilNews/idAFPISTLE6D120101029>

<http://www.reuters.com/article/idUSLDE69S09K20101029>

<http://www.bloomberg.com/news/2010-10-29/french-oil-refineries-in-first-stages-of-start-after-strikes.html>

http://www.msnbc.msn.com/id/39907819/ns/world_news-europe/

Reuters, 10:48 October 29, 2010

Safety-Kleen Breaks Ground on 10.3 MMGal/Yr. Expansion at Existing 40.2 MMGal/Yr. Oil Re-Refinery in Breslau, Ontario October 28

<http://www.safety-kleen.com/AboutUs/news/Pages/OntariosGreenEconomy.aspx>

“Unit Upset” Causes Evacuation Alarms to Sound at Shell’s 98,000 b/d Scotford, Alberta Refinery on October 28

Shell sounded evacuation alarms for precautionary reasons after a “unit upset” at the 98,000 b/d Scotford, Alberta refinery on October 28, a company spokesman said. The company controlled the unit and sounded the all clear at 2:45 PM, local time. The incident did not materially impact production, Shell said.

Reuters, 18:13 October 28, 2010

Natural Gas

PG&E to Re-Construct, Relocate Exploded Natural Gas Pipeline through San Bruno, California

Pacific Gas and Electric Company (PG&E) plans to re-construct its exploded pipeline through San Bruno, California, but not in the same location where it ruptured in September, the company said by October 28. PG&E's President told San Bruno's mayor that the city had “our commitment that PG&E will not rebuild the damaged section... in its current location.”

<http://www.foxreno.com/news/25552590/detail.html>

Other News

Fatal Accident Leads Alliance Resource Partners to Halt Operations at 6.4 Million Tons/Year River View Coal Mine in Kentucky October 28

A shuttle car struck and killed a man at Alliance Resource Partners' 6.4 million tons/year River View coal mine in Kentucky on October 28, leading the company's subsidiary, River View Coal, LLC to halt operations at the site, an Alliance official said. The mine contains an estimated 120.8 million tons of coal reserves, according to the company's website.

http://www.tulsaworld.com/business/article.aspx?subjectid=49&articleid=20101028_49_E1_Amnwsk48702

<http://www.arlp.com/mines/illinois.htm>

Nordex Officially Opens Wind Turbine Manufacturing Plant in Jonesboro, Arkansas by October 29

The facility will be able to produce 300 wind turbine nacelles per year. Those nacelles will serve 2.5 MW turbines that belong to Nordex's new third-generation efficiency class – the Gamma generation.

[http://www.nordex-online.com/en/news-press/news-detail.html?tx_ttnews\[tt_news\]=2108&tx_ttnews\[backPid\]=1&cHash=e94ffef783](http://www.nordex-online.com/en/news-press/news-detail.html?tx_ttnews[tt_news]=2108&tx_ttnews[backPid]=1&cHash=e94ffef783)

Energy Prices

U.S. Oil and Gas Prices			
October 29, 2010			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	81.04	80.54	80.26
NATURAL GAS Henry Hub \$/Million Btu	3.36	3.46	4.57

Source: Reuters

Energy Notes

Winds Blow Crane on Barge into Power Lines, Knocking Out Power Briefly to 16,000 CenterPoint Energy Customers in Texas and Temporarily Closing the Intercoastal Waterway October 28

http://www.kwtx.com/news/headlines/Crane_Accident_Causes_Power_Blackouts_in_Galveston_106297848.html?ref=848

California Energy Commission Approves Tessera Solar's Proposed 663.5 MW Calico Solar Project in San Bernardino County, California October 28

http://www.energy.ca.gov/releases/2010_releases/2010-10-28_calico_solar_approved_nr.html

Chevron Mechanically Completes 55,000 b/d CCR Platformer at 330,000 b/d Pascagoula, Mississippi Refinery by October 29 - Unit to Replace Two Existing Reformers

<http://af.reuters.com/article/energyOilNews/idAFWEN216920101029>

Propane-Carrying Tanker Truck Ruptures, Spills Load onto Route 136 in Warren, Rhode Island October 27

<http://www2.turnto10.com/news/2010/oct/27/propane-spill-evacuates-route-136-ar-273326/>

Update: Global Oil Gas Floating Storage Dips to 6 Million Barrels, from 100 Million Barrel Peak in December 2009: Shipping Source

Reuters, 10:08 October 29, 2010

Attackers Rupture Eni SpA Crude Oil Pipeline in Nigeria, Forcing Offline 4,000 b/d of Production October 28-29

<http://abcnews.go.com/Business/wireStory?id=12003281>

Update: Chevron Repairs Leak, Restarts Oil Pipeline in Riau, Indonesia by October 29

<http://www.bloomberg.com/news/2010-10-29/chevron-indonesia-s-riau-oil-pipeline-resumes-supply-bpmigas.html>

**Enhanced Oil Recovery Could Boost U.K. North Sea Oil Supplies by 3 Billion Barrels:
Durham University Professor**

http://www.pennenergy.com/index/petroleum/display/8427589037/articles/oil-gas-journal/drilling-production-2/production-operations/ior_eor/2010/10/eor-could_yield_3.html

**Explosion Seriously Injures Two Workers at Thunder Creek Gas Services' Methane
Treating and Compression Facility near Gillette, Wyoming October 26**

<http://www.gillette newsrecord.com/articles/2010/10/27/news/today/news06.txt>

**Update: Morgan County, Illinois Seeks to Host CO2 Storage Facility for FutureGen
Carbon Capture and Storage Project**

<http://www.myjournalcourier.com/news/futuregen-29793-morgan-wants.html>

**Update: DOE Sees no Significant Environmental Impact from Enerkem's Proposed 10
MMGal/Yr. Waste-to-Ethanol Plant in Pontotoc, Mississippi**

<http://www.brighterenergy.org/18542/news/bioenergy/enerkem-gains-federal-consent-for-mississippi-ethanol-plant/>

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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