



ENERGY ASSURANCE DAILY

Friday Evening, December 03, 2010

Electricity

Luminant Reduces 800 MW Oak Grove Coal-Fired Unit 1 in Texas Twice on December 2

Malfunctions led Luminant to reduce the unit twice on December 2, the company said in separate filings with state regulators. The incidents lasted 11 and 20 minutes, respectively, according to the filings.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=148063>

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=148061>

Dominion Virginia Power Plans 1,300 MW Gas-Fired Power Plant Virginia – Company Expects to Shut 74 MW Coal-Fired Power Plant in West Virginia

Dominion Virginia Power plans to construct a 1,300 MW gas-fired power in Warren County, Virginia, and – when the plant opens in late 2014 or early 2015 – shut the 74 MW coal-fired North Branch Power Station in Bayard, West Virginia, the company said on December 2. Dominion's plan to shut the coal-fired facility comes as part of an agreement between the company and the National Park Service and the Virginia Department of Environmental Quality.

<http://dom.mediaroom.com/index.php?s=43&item=939>

<http://finance.yahoo.com/news/Dominion-offers-changes-at-apf-1044011915.html?x=0&.v=1>

Midwest ISO Board Okays Plan to Invest More than \$1.2 Billion in Transmission Infrastructure through 2020

The Midwest ISO Board of Directors approved the 2010 Midwest ISO Transmission Expansion Plan (MTEP10) on December 2, recommending the addition of 231 new projects – more than \$1.2 billion in transmission infrastructure – over the next 10 years. The Midwest ISO manages the electric grid in 13 U.S. states and the Canadian province of Manitoba.

http://www.midwestiso.org/publish/Document/5648df_12c97e3f74e_-

[7f280a48324a/MTEP10Approval120210_f2.pdf?action=download&property=Attachment](http://www.midwestiso.org/publish/Document/5648df_12c97e3f74e_-7f280a48324a/MTEP10Approval120210_f2.pdf?action=download&property=Attachment)

Petroleum

ConocoPhillips to Restart Alkylation Unit at 247,000 b/d Belle Chasse, Louisiana Refinery on December 3 or 4

ConocoPhillips expects to restart an alkylation unit on December 3 or 4 at its 247,000 b/d Belle Chasse, Louisiana refinery, and could return a 102,000 b/d gasoline-producing fluid catalytic cracking unit (FCC) to full rates as early as this weekend, according to sources familiar with the facility's operations. The company shut the alkylation unit as it made repairs to an associated exchanger; it reduced the FCC to 60 percent capacity because it was running low on storage space for the production that the FCC would normally deliver to the alkylation unit, the sources said.

Workers have completed the exchanger work, according to the sources.

<http://www.bloomberg.com/news/2010-12-03/conocophillips-said-to-restart-belle-chasse-louisiana-unit.html>

Leak Leads Buckeye to Shut 8-Inch Oil Products Pipeline in Illinois December 2-3

The spill was suspected to have occurred when a farmer's plow struck the line, according to a company official. The company, however, expected to resume deliveries in the "near term," he said. The line spilled approximately 100 gallons of gasoline late on December 2, according to a filing with state regulators.

<http://www.bloomberg.com/news/2010-12-03/buckeye-excavating-pipe-at-gasoline-leak-in-illinois-update1-.html>

Update: BP-Husky to Expand Capacity by 15,000 b/d at Existing 155,000 b/d Toledo, Ohio Refinery

BP and Husky plan to expand the 155,000 b/d Toledo, Ohio refinery's capacity to process heavy oil, a local news source said, in conjunction with the companies' recently-sanctioned Sunrise oil sands project in Alberta, Canada. The project would increase the refinery's capacity by 15,000 b/d, from 155,000 b/d to 170,000 b/d. The companies expect to begin production at the Sunrise project by 2014, and produce 60,000 b/d by 2016 and 200,000 b/d by 2020, according to Husky.

http://www.downstreamtoday.com/news/article.aspx?a_id=24901

Update: Citing Cost Concerns, Canadian Natural to Pursue 140,000 b/d Expansion in 46 Small Stages at Existing 110,000 b/d Horizon Oil Sands Project in Alberta, Canada

Canadian Natural Resources Ltd. plans to pursue a 140,000 b/d expansion at its existing 110,000 b/d Horizon oil sands project in Alberta, Canada through five major components "broken into 46 individual projects," company president Steve Laut said on December 2. The incremental process would allow Canadian Natural to suspend or continue the project "according to market conditions," Laut said. The company expects to begin work on the project next year and, barring cost or labor setbacks, could complete the expansion in the "2017 range," according to Laut.

<http://www.ctv.ca/generic/generated/static/business/article1822288.html>

Update: After Electrical Malfunctions, PdVSA Returns 645,000 b/d Amuay to Near-Full Operations and Begins Restarting Units at 310,000 b/d Cardon Refinery in Venezuela by December 2

Storms caused electrical malfunctions that completely shut PdVSA's 310,000 b/d Cardon refinery and forced closed four units at the company's 645,000 b/d Amuay refinery in Venezuela on November 29, Reuters said previously. PdVSA had almost fully restored operations at Amuay and had begun to restart units at Cardon by December 2, according to the company.

http://english.eluniversal.com/2010/12/02/en_eco_art_pdvsa-resumes-operat_02A4807019.shtml

China-Owned Companies, PdVSA to Jointly Develop Venezuelan Oilfields that Could Produce 800,000 b/d of Crude Oil

PdVSA and CNPC plan to jointly develop the Junin 4 block, and Sinopec and PdVSA plan to jointly develop the Junin 1 and Junin 8 blocks. The Junin 4 block could produce 400,000 b/d of oil, and the Junin 1 and Junin 8 blocks could yield as much as 200,000 b/d.

http://www.rigzone.com/news/article.asp?a_id=101871

Natural Gas

Kinder Morgan, Energy Transfer Partners Begin Deliveries along 2.0 Bcf, 42-Inch, 185-Mile, Arkansas-to-Mississippi Fayetteville Express Natural Gas Pipeline December 1

The companies completed construction in September 2010. The line is expected to deliver natural gas from the Fayetteville Shale in Arkansas to pipelines serving the U.S. Midwest and Northeast, according to its website.

<http://www.arkansasbusiness.com/article.aspx?aID=124785.54928.136927>

http://www.fepipeline.com/fact_sheet.asp

U.S. Oil-and-Gas Horizontal Rig Count Hits New Record by December 3: Baker Hughes

The U.S. oil-and-gas horizontal rig count surged to a record high for the second straight week, rising by 18 to a total of 966 by December 3, Baker Hughes said in a report. Only one-third of those rigs were drilling for oil, according to analyst estimates.

Reuters, 13:11 December 3, 2010

Siemens Energy Celebrates Official Opening of Wind Turbine Nacelle Assembly Facility in Hutchinson, Kansas December 3

The facility will produce nacelles for the company's 2.3 MW and 3.0 MW wind turbines. The nacelle is the structure on top of the wind turbine tower that holds the electricity generating components. The first nacelles are scheduled to be shipped from the plant to Puget Sound Energy's 343 MW Lower Snake River project in Washington State.

<http://press.siemens.us/index.php?s=43&item=1317>

Citing Potential Vertical Bank Collapse, MSHA Issues "Imminent Danger" Order for Massey Energy's Camp Branch Coal Mine in West Virginia

The Mine Safety and Health Administration (MSHA) issued an "imminent danger" order for Massey Energy's Camp Branch surface coal mine in West Virginia, saying heavy rain had increased the likelihood of a vertical bank collapse. There were no injuries, but Massey was assessing the situation and considering ways to address it, the company said in a filing with the Securities and Exchange Commission (SEC).

Reuters, 17:55 December 2, 2010

President's Council of Advisors Calls for Government-Wide Federal Energy Policy and New Investments in Energy Research

The United States should craft a government-wide Federal energy policy and update it regularly with strategic Quadrennial Reviews similar to those produced regularly by the Department of Defense, according to a report released on November 29 by the President's Council of Advisors on Science and Technology (PCAST). The report called for significantly increasing Federal investments in energy-related research and development, and suggested new revenue options that could support the development of more efficient energy technologies

<http://www.whitehouse.gov/sites/default/files/microsites/ostp/pcast-energy-release-final.pdf>

Energy Prices

U.S. Oil and Gas Prices December 3, 2010			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	88.76	83.00	76.52
NATURAL GAS Henry Hub \$/Million Btu	4.28	3.93	4.67

Source: Reuters

Energy Notes

Update: California Energy Commission Approves Construction of CPV Sentinel, LLC's Proposed 850 MW Gas-Fired Power Plant in Riverside County, California December 1

http://www.energy.ca.gov/releases/2010_releases/2010-12-02_sentinel_approved_NR.html

Forsite Development Inc. Plans 20 MW Biomass-Based Power Plant at ReVenture Park in North Carolina

<http://www.bizjournals.com/charlotte/news/2010/12/02/forsite-signs-icm-inc-to-provide.html>

ExxonMobil Sees no Impact on Production after Brief Compressor Shutdown and Flaring at 567,000 b/d Baytown, Texas Refinery December 1

<http://www.nasdaq.com/asp/stock-market-news-story.aspx?storyid=20101201801dowjonesdjonline000636&title=exxon-reports-flaring-at-baytown-refinery-due-to-compressor-snag>
<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=148057>

In Review of Aging Infrastructure, Alaska Department of Environmental Conservation Says More Monitoring Needed on Flow Lines That Connect Wells to Processing Plants, Delivering Crude Oil, Water, and Natural Gas

<http://abcnews.go.com/Business/wireStory?id=12300388>

Update: 61 First Nation Communities Announce Opposition to Enbridge's Planned 525,000 b/d Alberta-to-British Columbia Northern Gateway Crude Oil Pipeline December 2

<http://www.vancouversun.com/business/Opposition+Northern+Gateway+pipeline+grows+among+first+nations/3921472/story.html>
<http://www.northerngateway.ca/project-info/northern-gateway-at-a-glance>

Grizzly Oil Sands Says Algar Lake Project in Alberta, Canada Contains Estimated 98 Million Barrels of Proved Plus Probable Reserves

<http://phx.corporate-ir.net/preview/phoenix.zhtml?c=82681&p=irol-newsArticle&ID=1503899>

Tankers Booked to Deliver at Least 38.9 Million Barrels of Crude oil from West Africa to United States during November 2010, or 62 Percent More than in October 2010: Clarkson Research Services Ltd.

<http://www.bloomberg.com/news/2010-12-03/west-africa-u-s-tanker-deals-gain-as-reported-charters-advance.html>

FERC Staff Issues Environmental Assessment in Support of Tricor Ten Section Hub, LLC's Proposed 32.5 Bcf Natural Gas Storage Project Near Bakersfield, California November 29

<http://www.prnewswire.com/news-releases/tricor-ten-section-hub-receives-environmental-assessment-from-fercs-office-of-energy-projects-111194634.html>

In Wake of Fatal September Explosion along Natural Gas Pipeline in San Bruno, California, PG&E Directors Commission Independent Study of Utility's Natural Gas System by December 2

http://www.pge.com/about/newsroom/newsreleases/20101202/pge_directors_commission_independentstudy_of_utilitys_natural_gas_system.shtml

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

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>

Please direct comments and questions to: ead@oe.netl.doe.gov