



ENERGY ASSURANCE DAILY

Tuesday Evening, December 21, 2010

Electricity

Storms Knock Out Power to about 282,000 PG&E Customers in California over Several Days to December 20

Storms cut power to about 282,000 Pacific Gas and Electric Company (PG&E) customers over the few days leading up to December 20, and to 52,837 Southern California Edison (SCE) customers over the weekend and on December 20, multiple sources reported. The storms, however, did not appear to cut electricity to nearly that many customers at any one time, and PG&E had restored power to all but approximately 3,600 customers by yesterday afternoon. Fewer than 18,000 SCE customers remained without power, as of latest reports.

<http://www.kcba.com/Global/story.asp?S=13715302>

<http://santacruz.patch.com/articles/expect-a-wet-christmas>

<http://www.chicagotribune.com/news/nationworld/ktla-weekend-rain,0,7175021,print.story>

<http://www.tehachapinews.com/content/power-returns-sand-canyon/32887>

[http://www.google.com/hostednews/ap/article/ALeqM5gT8nlpp8-](http://www.google.com/hostednews/ap/article/ALeqM5gT8nlpp8-9pXyfE8McrbPmm_uRw?docId=56c80fced17f45acb8be4b25dad1e4de)

[9pXyfE8McrbPmm_uRw?docId=56c80fced17f45acb8be4b25dad1e4de](http://www.google.com/hostednews/ap/article/ALeqM5gT8nlpp8-9pXyfE8McrbPmm_uRw?docId=56c80fced17f45acb8be4b25dad1e4de)

PG&E's 407 MW Helms Hydro Unit 2, 404 MW Helms Hydro Unit 3 in California Shut by December 20

According to the California Independent System Operator, the units reported unplanned outages on December 20.

<http://www.caiso.com/unitstatus/data/unitstatus201012201515.html>

Cabrillo Power's 330 MW Encina Gas-Fired Unit 5 in California Shut by December 20

According to the California Independent System Operator, the unit reported an unplanned outage by December 20.

<http://www.caiso.com/unitstatus/data/unitstatus201012201515.html>

Update: PG&E's 154 MW Kerkhoff Hydro Unit 1 in California Returns to Service by December 20

According to the California Independent System Operator, the unit reported a return from an unplanned outage. The unit shut by December 19, a previous report said.

<http://www.caiso.com/unitstatus/data/unitstatus201012201515.html>

Update: Southern's 856 MW Hatch Nuclear Unit 1 in Georgia Ramped Up to 86 Percent by December 21

Southern shut the unit on December 16 to fix a feedwater pump, a company spokeswoman said previously. The Nuclear Regulatory Commission reported that on the morning of December 20 the unit was operating at 67 percent.

<http://www.bloomberg.com/news/2010-12-16/southern-co-shuts-hatch-1-unit-in-georgia-to-fix-feedwater-pump.html>

Information also derived from the NRC Power Reactor Status Reports:

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

Exelon's 619 MW Oyster Creek Nuclear Unit in New Jersey Shut December 20

The company shut the unit on December 20 to work on a recirculation pump, a plant spokesman said. The Nuclear Regulatory Commission reported that on the morning of December 20 the unit was operating at 20 percent.

<http://www.bloomberg.com/news/2010-12-21/u-s-nuclear-output-rises-as-hatch-unit-in-georgia-boosts-power.html>

Information also derived from the NRC Power Reactor Status Reports:

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

Dust Leads to Explosion at Big Rivers Electric Corporation's 796 MW Sebree Coal-Fired Power Plant in Kentucky December 16

"Dust off the bunker" led to an explosion as Big Rivers Electric Corporation worked to shut a unit at its 796 MW Sebree coal-fired power plant in Henderson County, Kentucky, a local news source said. There were no injuries, but the blast damaged some equipment and siding.

<http://www.wfie.com/story/13703792/dust-causes-explosion-at-henderson-co-power-plant>
<http://www.bigrivers.com/locations.aspx>

Element Power Plans 99 MW Macho Springs Wind Energy Project in Luna County, New Mexico

Commissioning is expected in mid-2011.

<http://www.vestas.com/en/media/news/news-display.aspx?action=3&NewsID=2508>

Petroleum

Motiva Sees No Operational Impact after Fire at 235,000 b/d Convent, Louisiana Refinery December 20

A unit malfunction led to flaring and a grass fire on December 20, but on-site responders "quickly contained" the blaze and the incident did not impact operations, a company spokesman said. A flare released a flammable chemical onto the ground, and that led to the grass fire, according to a state police official.

<http://www.bloomberg.com/news/2010-12-21/motiva-says-louisiana-plant-operating-normally-after-grass-fire.html>
<http://online.wsj.com/article/BT-CO-20101221-705506.html>

ConocoPhillips Reports Wet Gas Compressor Shutdown at 306,000 b/d Wood River, Illinois Refinery December 20

The incident led to flaring, according to a state regulatory filing. It was not clear if there was any impact on production.

<http://www.bloomberg.com/news/2010-12-21/compressor-trips-offline-at-conocophillips-wood-river-refinery.html>
<http://tier2.iema.state.il.us/FOIAHazmatSearch/HazmatDetails.aspx?RptNum=H-2010-1379>

Update: Chevron Finishes Purge along Colorado-to-Utah Crude Oil Pipeline – Line Remains Shut after December 1 Spill

Chevron finished purging its 10-inch, Colorado-to-Utah crude oil pipeline by December 21, but the company did not expect to restart the line until January, at the earliest. Chevron shut the line after it spilled 500 barrels of crude oil on December 1, according to the company and the U.S. Pipeline and Hazardous Materials Safety Administration (PHSMA). The line delivers crude oil from Rangely, Colorado to Chevron's refinery in Salt Lake City, Utah. The PHSMA issued a Corrective Action Order on December 8, requiring the company to create and carry out plans for fixing safety issues, and preventing the company from restarting the line without a PHSMA-approved plan. Chevron had not received approval from the PHMSA to resume operations, as of latest reports.

<http://www.bloomberg.com/news/2010-12-21/top-oil-market-news-crude-near-2-year-high-china-imports-slow.html>
<http://www.bloomberg.com/news/2010-12-16/slc-mayor-s-office-chevron-to-purge-pipeline.html>
<http://www.fox13now.com/news/local/kstu-chevron-purge-oil-slc-oil-spill,0,7750929.story>
<http://af.reuters.com/article/energyOilNews/idAFN0868519620101209>
<http://www.phmsa.dot.gov/portal/site/PHMSA/menuitem.ebdc7a8a7e39f2e55cf2031050248a0c/?vgnextoid=2d03c15952cbc210VgnVCM1000001ecb7898RCRD&vgnnextchannel=d248724dd7d6c010VgnVCM10000080e8a8c0RCRD&vgnnextfmt=print>

BOSTCO Plans Oil Terminal along Houston Ship Channel in Texas

Battleground Oil Specialty Terminal Company (BOSTCO) plans to construct a black oil terminal on the Houston Ship Channel in Texas, the company said on December 20. The terminal would handle slurry oil, residual fuel oil, blendstocks, vacuum gas, and crude oil. It would involve two deepwater ship docks, twelve barge spots, twelve rail spots, pipeline connections for crude, and 7.8 million barrels of storage. It could eventually include two additional deepwater ship docks, eight additional barge spots, and 2.5 million barrels of additional storage and pipeline connections for other petroleum products. The company plans to break ground in the third quarter of 2011 and open the project by the spring of 2013.

<http://www.bostco.net/>

Update: TransCanada Aims to Commission 156,000 b/d Expansion along 435,000 b/d, Alberta-to-Illinois Keystone Oil Pipeline in First Quarter of 2011

TransCanada hopes to commission an extension and expansion of its 435,000 b/d Alberta-to-Illinois Keystone oil pipeline “by the middle to the end of the first quarter” of 2011, the company’s CEO said by December 21. The project would extend the line from Steele City, Nebraska to Cushing, Oklahoma, and expand its capacity to 591,000 b/d.

<http://www.upstreamonline.com/live/article239976.ece>

<http://www.transcanada.com/keystone.html>

Shell Starting Unit at 155,000 b/d Oil Sands Upgrader in Scotford, Alberta December 21

It was not clear when the unit shut or whether the incident impacted production.

<http://www.bloomberg.com/news/2010-12-21/shell-starting-process-unit-at-scotford-upgrader-in-alberta.html>

Dover Operating Corp. Plans 250,000 b/d Oil Sands Project in Northern Alberta

Dover Operating Corp., a joint venture of Athabasca Oil Sands Corp. and a PetroChina subsidiary, filed for regulatory approval to build a 250,000 b/d oil sands project at Dover, in northern Alberta. The company expects to receive authorization in two years. The project would include two sections – Dover North and Dover South – and would open in phases. The first phase, at Dover North, would produce 50,000 b/d.

http://www.aosc.com/upload/media_element/67/01/dover-commercial-project-filed-december-21-2010.pdf

Update: BP Restarts Chirag Oil Platform Offshore Azerbaijan December 20

BP resumed full output by December 20, it said in a statement. The company halted production on December 11 after “a routine performance test” revealed issues with the platform’s firewater system, it said on December 15. BP referred to the shutdown as a “preventive measure.” The closure also forced offline deliveries through the associated Western Route Export Pipeline. That, in turn, impacted operations at the Supsa Marine Terminal in Georgia. Sources conflicted as to the capacity of the affected platform. BP’s website says it produces 125,000 b/d of oil, on average. Dow Jones Newswires, however, citing a company statement, said it produced about 90,000 b/d.

http://www.rigzone.com/news/article.asp?a_id=102373

<http://online.wsj.com/article/BT-CO-20101215-705525.html>

<http://www.bp.com/sectiongenericarticle.do?categoryId=9006667&contentId=7015091>

Natural Gas

Update: Tristream Extends Shutdown at Eustace Processing Plant, Forcing Eagle Rock to Keep Offline Oil and Gas Production in East Texas

Eagle Rock Energy Partners, L.P. might not resume oil-and-gas output in East Texas until mid-February 2011 due to the longer-than-expected shutdown of the facility – Tristream Energy LLC’s Eustace plant – that processes the company’s production, Eagle Rock said on December 20. Tristream Energy shut the Eustace plant on August 11 after an electrical failure caused significant damage to a sulfur recovery unit (SRU). The company had expected the work to last for 30 to 45 days, but now expects to resume service by mid-February 2011. Eagle Rock produced about 211 MMcf/d of natural gas in East Texas and Louisiana during the three months ended June 30, 2010, along with 109,500 barrels of natural gas liquids (NGLs) and condensate, according to an earlier company release.

<http://ir.eaglerockenergy.com/phoenix.zhtml?c=200871&p=RssLanding&cat=news&id=1509271>

<http://ir.eaglerockenergy.com/phoenix.zhtml?c=200871&p=RssLanding&cat=news&id=1473112>

<http://ir.eaglerockenergy.com/phoenix.zhtml?c=200871&p=RssLanding&cat=news&id=1460841>

<http://phx.corporateir.net/External.File?item=UGFvZW50SUQ9NTY1NTN8Q2hpbGRJRD0tMXxUeXB1PTM=&t=1>

http://www.tristreamenergy.com/press_releases/announces_Acquisition_of_East_Texas_Processing_Assets.htm

Enterprise Jonah Gas Gathering Co. Plans 30-Inch, 14.5-Mile Natural Gas Pipeline in Wyoming

The pipeline would connect two existing compressor stations; it would serve the Jonah natural gas field in Sublette County, Wyoming.

<http://www.victoriaadvocate.com/news/2010/dec/21/bc-wy-gas-pipeline/?news®ion-state>

http://billingsgazette.com/news/state-and-regional/wyoming/article_51345898-77f0-5c5c-8c58-846b28bad367.html

Other News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices			
December 21, 2010			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	89.19	88.73	73.98
NATURAL GAS Henry Hub \$/Million Btu	4.10	4.55	5.65

Source: Reuters

Energy Notes

**Storms Knock Out Power to More Than 10,000 Rocky Mountain Power Customers in Utah
December 21 – Company Restores Power to More than Half by Mid-Morning**

<http://www.sltrib.com/sltrib/home/50916856-76/utah-storm-tuesday-reported.html.csp>

**Update: DOE Finalizes \$1.45 Billion Loan Guarantee for Abengoa Solar's Proposed 250
MW Solana Solar Power Project near Gila Bend, Arizona by December 21**

<http://www.energy.gov/news/9920.htm>

**Update: Allegheny Energy and AEP Ask West Virginia PSC to Delay Review of Proposed
765 kV, West Virginia-to-Maryland PATH Transmission Line – Companies Cite New PJM
Forecast and Potential Changes to Line's Projected In-Service Date**

<http://www.pathtransmission.com/news/WVPSCPATHresponse.pdf>

**Update: State Approves Air Permit for Dominion Virginia Power's Proposed 1,300 MW
Gas-Fired Power Plant in Warren County, Virginia – Company to Seek Regulatory
Authorization in Early 2011**

<http://dom.mediaroom.com/index.php?s=43&item=944>

**Update: Trans-Elect Files for Federal Authorization to Construct Transmission Project
along mid-Atlantic Coast by December 21 – Atlantic Wind Connection Project Would
Deliver about 6,000 MW of Wind-Derived Electricity**

<http://www.prnewswire.com/news-releases/good-energies-announces-investment-in-landmark-atlantic-wind-connection-backbone-transmission-project-104776869.html>

Reuters, 09:13 December 21, 2010

**Algonquin Power & Utilities Corp. Plans 48 MW of Wind Power Projects in Quebec –
Company Expects to Open 24 MW Saint-Damase Wind Power Project in Late 2013, and 24
MW Val-Éo Wind Power Project in Late 2015**

<http://www.prnewswire.com/news-releases/algonquin-power--utilities-corp-announces-the-acceptance-of-two-wind-projects-by-hydro-quebec-distribution-112238364.html>

Boralex to Construct Two 25 MW Community Wind Power Projects in Quebec – Company to Open La Côte-de-Beaupré Facility in Late 2015, Témiscouata Facility in Late 2014

<http://www.pnewswire.com/news-releases/boralex-partnered-with-two-rcms-is-awarded-two-community-wind-project-contracts-112215974.html>

State Regulators Direct TVA to Install New Liner in Gypsum Pond after Last Week’s Leak at 1,456 MW Kingston Coal-Fired Power Plant in Tennessee

<http://www.timesfreepress.com/news/2010/dec/20/tva-ordered-fix-leaky-pond-kingston-plant/?breakingnews>

Update: Local Officials Okay Plan That Will Enable Enbridge to Replace Dented Crude Oil Pipeline under St. Clair River in Michigan – Company Plans to Begin Replacing Line in January, Complete Work by Spring 2011

<http://www.thetimesherald.com/article/20101221/NEWS01/12210309>

U.S. Gasoline Demand to Slide to 5.4 Million b/d by 2030, Compared to 8.2 Million b/d in 2010, as Multiple Factors – Improved Fuel Economy, Electric Vehicles, Increased Use of Renewable Fuels, and High Gasoline Prices – Dampen Demand: Deutsche Bank Analyst

<http://www.google.com/hostednews/ap/article/ALeqM5i2YitVOIJBssIHu2s0xjAcnGKRw?docId=865c96a225634368a4f92eed4bcd0892>

Unit Shutdown Leads to Emission at West Credo Booster Station in Texas December 20 – Unit Restarted within Hours

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=148640>

Update: Spectra Files FERC Application for Proposed New Jersey-New York Natural Gas Pipeline Expansion Project December 20 – Project Would Enter Service in November 2013, Deliver up to 800 MMcf/d of Natural Gas

http://www.spectraenergy.com/news/releases/2010/dec/20101220_01.asp

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>

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