



ENERGY ASSURANCE DAILY

Tuesday Evening, February 08, 2011

Major Developments

Explosions Spark Fire at Enterprise Products Partners' 305,000 b/d NGL Fractionation Facility in Mont Belvieu, Texas February 8

Multiple explosions just after noon CST prompted a fire that continued to burn this afternoon at Enterprise Products Partners' 305,000 b/d natural gas liquids (NGL) fractionation facility in Mont Belvieu, Texas, news and company sources reported. News sources attached multiple labels to the affected facility: some referred to it as a petrochemical facility and others referred to it as a natural gas liquids plant. A company spokesman said the blaze was burning "at the West Storage Facility at the Mont Belvieu plant." No injuries had been reported, but msnbc.com, citing officials, said one person was unaccounted for. The Mont Belvieu plant is located on top of a natural gas storage dome, Reuters said. It has an NGL fractionation capacity of approximately 305,000 b/d, according to Enterprise's website. Such "facilities separate mixed NGL streams into purity NGL products: ethane, propane, normal butane, isobutane, and natural gasoline," the website says. Because the facility did not appear to connect "directly to natural gas supply pipelines," the incident was not expected to impact deliveries along regional pipelines, according to a reporter with the Houston Chronicle.

<http://fuelfix.com/blog/2011/02/08/natural-gas-facility-in-mont-belvieu-explodes/>

http://www.msnbc.msn.com/id/41477580/ns/us_news-life/

<http://www.reuters.com/article/2011/02/08/enterprise-blast-idUSWEN726520110208>

http://www.myfoxdfw.com/dpps/news/local/110208-fire-reported-at-petrochemical-plant-in-mont-belvieu_11789083

<http://www.epplp.com/operations/nglFractionation.htm>

Electricity

Consumers Energy, Detroit Edison to Boost Capacity by about 300 MW at Existing 1,872 MW Ludington Pumped Storage Plant in Michigan

Consumers Energy and Detroit Edison plan to pursue a maintenance and upgrade project at their jointly-owned, six-unit, existing 1,872 MW Ludington Pumped Storage Plant in Ludington, Michigan that will, among other things, boost the plant's capacity to 2,172 MW, the companies said on February 7. The upgrade project is expected to begin in 2013; it is scheduled through 2019.

<http://www.consumerenergy.com/News.aspx?id=4220&year=2011>

Salazar, Chu Announce Major Offshore Wind Initiatives February 7

Secretary of the Interior Ken Salazar and Secretary of Energy Steven Chu announced yesterday a plan – dubbed the “National Offshore Wind Strategy: Creating an Offshore Wind Industry in the United States” – intended to bolster offshore wind energy in the United States. The plan focuses on overcoming three key challenges: the relatively high cost of offshore wind energy; technical challenges surrounding installation, operations, and grid interconnection; and the lack of site data and experience with project permitting processes. In support, Secretary Chu announced the release of three solicitations, representing up to \$50.5 million over 5 years, to develop breakthrough offshore wind energy technology and to reduce specific market barriers to its deployment. Secretary Salazar also identified four Wind Energy Areas offshore the mid-Atlantic as part of Interior's 'Smart from the Start' approach announced in November 2010 that uses appropriate designated areas, coordinated environmental studies, large-scale planning and expedited approval processes to speed offshore wind energy development. The areas, on the Outer Continental Shelf offshore Delaware (122 square nautical miles), Maryland (207), New Jersey (417), and Virginia (165), will receive early environmental reviews that will help to lessen the time required for review, leasing and approval of offshore wind turbine facilities.

<http://www.energy.gov/news/10053.htm>

Petroleum

Line Leak Leads ExxonMobil to Shut Unidentified Unit at 504,500 b/d Baton Rouge, Louisiana Refinery by February 8

ExxonMobil stopped the leak and shut the unit for repair, a spokesman said. The leak led to hydrogen sulfide emissions, the company said earlier.

Reuters, 12:06 February 8, 2011

Valero Reports FCC-Related Snag at 287,000 b/d Port Arthur, Texas Refinery February 7

The loss of steam pressure in a gasoline-producing fluid catalytic cracking unit (FCC) led to the release of hydrogen sulfide and sulfur dioxide, Valero said in a filing with the National Response Center. Reuters, meanwhile, reported that the incident caused the company to shut the unit.

<http://www.bloomberg.com/news/2011-02-08/valero-texas-refinery-flares-gases-on-pressure-loss-nrc-reports.html>

<http://www.forexyard.com/en/news/Oil-rebounds-on-refinery-crude-outages-2011-02-08T161254Z-UPDATE-6>

Update: Weather Conditions, Power Disruptions Led Western Refining to Halt Operations at 125,000 b/d El Paso, Texas Refinery February 2

Harsh weather and related electricity issues led Western Refining to temporarily halt refining operations at the facility on February 2, the company said on February 7. The refinery also experienced some freeze-related damage. The company was working to repair the damage and expected to begin restarting certain processing units in about three to five days, as of February 7.

<http://ir.westernrefining.com/phoenix.zhtml?c=194293&p=irol-newsArticle&ID=1526050&highlight=>

<http://www.wnr.com/Refining.aspx>

Enbridge Resumes Normal Rates along 190,000 b/d Illinois-to-Oklahoma Spearhead Crude Oil Pipeline February 7

The company reduced the line's throughput to conduct maintenance on February 3.

<http://www.bloomberg.com/news/2011-02-07/enbridge-spearhead-pipeline-returned-to-normal-rates-update1-.html>

<http://www.enbridgeus.com/Main.aspx?id=230&tmi=230&tmt=1>

Update: TransCanada Begins Deliveries along 591,000 b/d, Nebraska-to-Oklahoma Cushing Extension Oil Pipeline February 1

TransCanada began sending crude along the Steele City, Nebraska-to-Cushing, Oklahoma pipeline on February 1, it indicated on a slide at a recent conference presentation. The company, however, has not launched commercial operations. It is scheduled to do that during the current quarter. The pipeline is part of the company's partly-completed Keystone system, which is intended to connect Canadian producers to refiners in the United States.

<http://www.theglobeandmail.com/report-on-business/transcanada-ramps-up-oil-supply-in-new-cushing-line/article1897969/>

Natural Gas

Update: More than 12,000 Customers Remain without Natural Gas Service in New Mexico February 8

New Mexico Gas Co. was still working to restore natural gas to more than 12,000 customers on February 8, a local news source reported, after some 32,000 customers lost service during last week's cold spell. Company officials testified before a legislative committee on February 7, explaining that they cut off service to customers last week because power outages in Texas reduced pressure dramatically along the company's natural gas pipelines. "The system was crashing so rapidly and with such an amount, that we were fearful that we would have lost a large, large portion of Albuquerque and surrounding areas," one official said. "We were very fearful that we would lose the entire system." The governor, meanwhile, sent 300 National Guard troops and airmen to assist in the restoration process.

<http://www.abqjournal.com/news/state/082329166544newsstate02-08-11.htm>

<http://www.newswest9.com/Global/story.asp?S=13988784>

<http://www.bloomberg.com/news/2011-02-07/utility-defends-severing-nm-gas-service-in-storm.html>

https://www.nmgco.com/Emergency_Updates.aspx

CONSOL Energy's Proved Natural Gas Reserves in Eastern United States Rise to 3.7 Tcf by End of 2010 – Total is 95 Percent Higher than at End of 2009

CONSOL Energy's proved gas reserves in the eastern United States rose from 1.9 Tcf at the end of 2009 to 3.7 Tcf by the end of 2010, it said on February 8. The company also reported proved, probable, and possible reserves of 14.2 Tcf, compared to 6.5 Tcf at the end of 2009. CONSOL drilled 24 horizontal wells in the Marcellus Shale in 2010 and turned 13 on line; total daily production from the Marcellus Shale grew from 14 MMcf/d at the end of 2009 to 40 MMcf/d at the end of 2010. The company plans to drill 70 horizontal wells in the Marcellus Shale in 2011 and conduct a six-well Utica Shale exploration program.

<http://phx.corporate-ir.net/phoenix.zhtml?c=66439&p=irol-newsArticle&ID=1526229&highlight=>

Other News

Ethanol-Carrying Train Cars Derail and Explode near Arcadia, Ohio February 6

Some 31 ethanol-carrying train cars on a 62-car train derailed near Arcadia, Ohio on February 6, causing about eight cars to explode and burst into flames, a fire official said. The blazes left 28 cars burned and forced some residents to evacuate temporarily. There were, however, no injuries and the fires were extinguished by February 7. The train was en route from Chicago, Illinois to North Carolina. Each of the exploded cars contained more than 30,000 gallons of ethanol. Workers had cleared most of the cars from the track by late-afternoon on February 7, and Norfolk Southern hoped to re-open the affected stretch of rail on February 8, according to a company official. In the interim, trains were re-routed away from the area.

<http://www.bloomberg.com/news/2011-02-07/ohio-train-fire-contained-after-explosion.html>

<http://www.advertiser-tribune.com/page/content.detail/id/534404/Damaged-train-track-could-reopen-today.html?nav=5005>

http://www.forbes.com/feeds/ap/2011/02/07/general-us-deraiment-fire_8296273.html

Coal-Carrying Train Cars Derail near Jefferson City, Missouri February 5

Forty coal-carrying train cars derailed east of Jefferson City, Missouri on February 5, but there were no injuries and workers were expected to finish cleaning up the site by the end of the weekend, according to a Union Pacific spokesman. The 136-car train was en route from Wyoming to Kentucky.

<http://www.columbiamissourian.com/stories/2011/02/06/coal-train-derails-east-jefferson-city/>

Update: U.S. Manufacturers Could Get 1.2 Million Electric Vehicles on Road by 2015: Presidential Report

U.S. vehicle manufacturers could produce 1.2 million plug-in electric cars by 2015, and therefore meet President Obama's goal of putting 1 million electric vehicles on the road by 2015, the Administration found in a report to be released on February 8. The conclusion contradicted a recently-released industry report that found that automakers' existing plans were "currently insufficient" to achieve the 1 million-vehicle total.

<http://www.washingtonpost.com/wp-dyn/content/article/2011/02/07/AR2011020705616.html>

Energy Prices

U.S. Oil and Gas Prices			
February 8, 2011			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	86.47	89.96	72.84
NATURAL GAS Henry Hub \$/Million Btu	4.32	4.42	5.47

Source: Reuters

Energy Notes

Transmission Line Problem Cuts Power to nearly 15,000 Ozarks Electric Cooperative Customers in Arkansas February 8 – Service Restored to Affected Customers, as of Latest Reports

<http://www.kspr.com/sns-ap-ar--poweroutage-nwark,0,316251.story>
<http://ebill.ozarkelectric.com/oms/outageMap>

Ecopetrol Sees no Impact on Exports after Suspected Bomb Attacks Force Shut 48,000 b/d Transandino Oil Pipeline in Colombia by February 8

<http://www.reuters.com/article/2011/02/08/colombia-oil-attack-idUSN0828290920110208>

SilverBirch Energy Corporation's Frontier and Equinox Oil Sands Projects in Alberta, Canada Contain Best Estimate of 2.824 Billion Barrels of Bitumen

http://www.silverbirchenergy.com/wp-content/uploads/2011/02/SB-11-01-110208_Resource.pdf

Rupture along 5-Inch Natural Gas Pipeline Forces 150 People to Evacuate Homes in East El Paso, Texas February 5

<http://www.ksfm.com/news/east-el-paso-apartment-complex-businesses-evacuated>

Heavy Snowfall to Blame as Consolidated Edison Reports 65 Manhole Explosions/Fires in New York Since Start of 2011

<http://www.reuters.com/article/2011/02/04/us-weather-manholes-idUSTRE71374I20110204>

Unidentified Platform Shuts in U.S. Gulf of Mexico, Reducing Oil Deliveries by Unspecified Amount to Poseidon Pipeline – Line Can Move more than 300,000 b/d, but is Operating Just below 200,000 b/d February 8

Reuters, 11:08 February 8, 2011

Pirates Hijack Italian Crude Oil Tanker Offshore India/Somalia February 8

<http://www.reuters.com/article/2011/02/08/us-italy-tanker-idUSTRE7171ND20110208>

CPC Exports 741,864 b/d of Crude Oil, on Average, via Kazakhstan-to-Russia Pipeline in January 2011, or 6.8 Percent Less than January 2010

<http://af.reuters.com/article/energyOilNews/idAFLDE71617F20110207>

Cold Weather Leads to Crack in Drain Valve, Causes about 1,000 Gallons of Gasoline to Spill at Harlan Tank Farm in Texas February 7-8

<http://www11.tceq.state.tx.us/oce/ear/index.cfm?fuseaction=main.getDetails&target=150393>

Fire Damages Units at Vent Booster Station in Texas February 7 – Blaze Extinguished in Less Than Two Hours

<http://www11.tceq.state.tx.us/oce/ear/index.cfm?fuseaction=main.getDetails&target=150408>

Weld Failure Leads to Shutdown at Goldsmith Gas Plant in Texas February 7-8 – Operators to Run Facility at Reduces Rates – 120 to 125 MMcf/d – to Reduce Emissions

<http://www11.tceq.state.tx.us/oce/ear/index.cfm?fuseaction=main.getDetails&target=150389>

City of Salt Lake City, Utah Installs Six Free Electric Vehicle Charging Stations by February 7

<http://www.sltrib.com/sltrib/neighborhoodcity/51193304-135/electric-stations-charging-says.html.csp>

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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