



ENERGY ASSURANCE DAILY

Wednesday Evening, February 22, 2012

Electricity

Update: Utilities Report 8,465 Customers in Kentucky and West Virginia without Power February 22 after Winter Storm Last Weekend

A storm brought heavy, wet snow to parts of the U.S. South on Sunday, knocking out power to 147,000 customers in parts of Kentucky, Mississippi, Virginia, and West Virginia. Kentucky Power Company reported a peak of 34,000 customers without power Sunday and Monday. As of 12:00 PM ET today, the utility said 5,490 of its customers were without power, including new outage cases that appeared today. Appalachian Power reported power outages in its Virginia and West Virginia service areas peaked late Sunday night at around 66,000 customers. As of 10:30 AM ET today, the utility reported 2,975 customers were without power in West Virginia, mostly in Mercer County.

<https://www.kentuckypower.com/outages/>

<https://www.appalachianpower.com/outages/>

Supply Disruption Briefly Cuts Power to 60,000 LADWP Customers in Los Angeles February 21

The Los Angeles Department of Water and Power (LADWP) reported a supply disruption to a main hub receiving station caused 60,000 customers to briefly lose power yesterday in Los Angeles' Westside. The utility restored power to the majority of the affected areas within 13 minutes and was investigating the cause of the supply disruption.

<http://www.scpr.org/blogs/news/2012/02/21/4761/ladwp-lights-go-out-60000-westside-customers/>

U.S. Nuclear Industry Adopts Initiative to Acquire More Emergency Equipment in Response to Fukushima Lessons-Learned

The Nuclear Energy Institute (NEI) yesterday announced the industry's unanimous approval of an initiative to procure additional on-site portable equipment that will be available to help ensure that nuclear energy facilities can respond safely to extreme events. The initiative to procure additional diesel-driven pumps, electric generators, and other emergency equipment is part of a strategy to incorporate lessons learned from Japan's Fukushima accident last year, according to an NEI release. It commits every company operating a nuclear energy facility to order or enter into contract for a plant-specific list of emergency equipment by March 31.

<http://www.nei.org/newsandevents/newsreleases/us-nuclear-industry-adopts-initiative-to-acquire-more-emergency-equipment/>

Update: Southwestern Restarts 360 MW Harrington Unit 1 in Texas February 18 after Repairs to Boiler Feed Pump

Southwestern Public Service Co. reported it began Unit 1 startup procedures over the weekend after a short maintenance outage to perform work on the main boiler feed pump, according to a filing with the Texas Commission on Environmental Quality.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=164943>

Update: BP's 225,000 b/d Cherry Point, Washington Refinery Remains Idle for Fourth Full Day after Fire

A fire shut the crude distillation unit last Friday at BP's Cherry Point refinery. A BP representative was not immediately available to discuss the refinery's status on Wednesday, according to reports, but the company has said it could take several days to examine damage from the fire and develop a plan to resume operations.

<http://uk.reuters.com/article/2012/02/22/gasoline-washington-bp-cherrypoint-idUKL2E8DM4XG20120222>

Update: Suncor Resumes Normal Operations at Its 135,000 b/d Edmonton, Alberta Refinery after Repairs to Damaged Unit February 21

Suncor Energy Inc. reported yesterday it has completed repairs to a process unit at its Edmonton refinery and has resumed normal operations, according to a spokeswoman. Suncor reduced production on February 9 after piping at a hydrotreater unit failed.

<http://www.reuters.com/article/2012/02/21/refinery-operations-suncor-edmonton-idUSL2E8DL75O20120221>

Update: Tesoro Resumes Normal Operations at Its 58,000 b/d Salt Lake City, Utah Refinery February 20 after Fire Last Week

Tesoro Corp. reported its Salt Lake City refinery was operating normally on Monday following a fire last Friday, a company spokeswoman said. The company has declined to identify the affected unit, but sources familiar with refinery operations say that a crude distillation unit was taken out of production due to the fire.

<http://uk.reuters.com/article/2012/02/21/refinery-operations-tesoro-saltlakecity-idUKH5E8D900M20120221>

Update: Kinder Morgan Says Shippers Back Proposed Expansion of 300,000 b/d Trans Mountain Pipeline in Alberta, Canada

Kinder Morgan Energy Partners, LP yesterday announced that the commitments it received through a recent open season support moving forward with the proposed Trans Mountain pipeline system expansion, according to a release. Kinder Morgan announced in October 2011 the start of an open season to seek shipper support for the expansion of the 715-mile Trans Mountain pipeline, which runs from Alberta to the Westridge Marine Terminal at the Port of Vancouver. The pipeline's maximum capacity is currently 300,000 b/d; the proposed expansion would raise its capacity to 600,000 b/d. Kinder Morgan is now moving forward with initial project design and planning, and it hopes to make a final decision on the proposed project by the end of March.

<http://phx.corporate-ir.net/phoenix.zhtml?c=119776&p=irol-newsArticle&ID=1663355>

Update: Hovensa Completes Shutdown of Its 500,000 b/d St. Croix, U.S. Virgin Islands Refinery February 21

Hovensa, LLC completed the shutdown of its St. Croix refinery on Tuesday, the company said in a statement. The company announced January 18 that it was closing the refinery, which had a capacity of 500,000 b/d before idling 150,000 b/d of older units in 2011, due to poor margins and converting the facility into an oil storage terminal. Hovensa said Tuesday that its operation of the complex as a terminal is subject to the completion of negotiations with the local government.

<http://www.reuters.com/article/2012/02/21/hovensa-shut-idUSL2E8DLEL120120221>

MDU Resources, Calumet Refining Consider Joint Venture to Build 20,000 b/d Diesel Refinery to Process Bakken Crude in Southwestern North Dakota

MDU Resources Group, Inc. and Calumet Refining, LLC yesterday announced they have signed a nonbinding letter of intent to explore the feasibility of jointly building and operating a 20,000 b/d diesel refinery in southwestern North Dakota. The facility would process Bakken crude and market the diesel within the Bakken region.

Site selection, permitting, crude oil feed procurement, marketing, and engineering studies are currently underway.

<http://www.mdu.com/News/Pages/NewsArticle.aspx?article=303>

Update: Enterprise Begins Purging 400,000 b/d Seaway Pipeline ahead of Reversal; Says Project on Track to Reverse Flow by June 1

Enterprise Products Partners reported it has begun purging the 400,000 b/d, 500-mile oil pipeline, which it is reversing to ship crude from Cushing, Oklahoma to the U.S. Gulf Coast. The reversal is scheduled to take place in stages, with an initial 150,000 b/d running south by June 1.

<http://www.reuters.com/article/2012/02/21/pipeline-operations-seaway-idUSL2E8DL5M520120221>

Magellan Reopens Pipelines at 500,000-Barrel Apple Valley Tank Farm in Minnesota after Gasoline Leak Shut the Lines February 14

Magellan Midstream Partners, LP reported it reopened lines that were shut February 14 at the Apple Valley tank farm in Minnesota after a gasoline leak, according to a spokesman. The fuel leaked when a line flange gasket failed, spilling over 62,000 gallons of gasoline. The company maintained “adequate supplies” of gasoline fuel throughout the northern tier of its distribution system during the shut-in, the spokesman said.

<http://www.bloomberg.com/news/2012-02-17/magellan-opens-pipelines-at-minnesota-tank-farm-after-leak-1-.html?cmpid=yahoo>

Tesoro Workers at Three U.S. Refineries Reject USW Pact; Strikes Possible

United Steelworker (USW) union workers at Tesoro’s refineries in Washington, California, and Hawaii have rejected a tentative three-year contract agreed upon on January 31 by the union’s national representatives, setting up the potential for a strike. Workers at Tesoro’s North Dakota and Utah refineries are still in negotiations. A general strike at Tesoro’s refineries could shut down 500,000 b/d of refining capacity.

<http://www.hydrocarbonprocessing.com/Article/2982915/Latest-News/Tesoro-refinery-workers-reject-USW-labor-pact-strike-possible.html>

Natural Gas

TEAK Midstream to Construct Two Gas Gathering Systems and 200 MMcf/d Gas Processing Plant in Eagle Ford Shale Region of South Texas

TEAK Midstream, LLC yesterday announced the company is constructing over 200 miles of natural gas gathering and residue delivery pipelines and an adjoining 200 MMcf/d cryogenic gas processing plant in South Texas to better serve gas producers operating in the Eagle Ford Shale play. The new facilities will consist of two separate high-pressure gas gathering systems, including 125 miles of 24-inch, 600 MMcf/d pipeline and 20 miles of 20-inch, 400 MMcf/d pipeline, that will both move gas production to TEAK’s new Silver Oak gas processing plant in Bee County, Texas. The company expects the facilities will be operational early in the third quarter of 2012.

<http://teakmidstream.com/company-news/2009-press-releases/press-release-2212012>

Update: Kinder Morgan Cancels Plans to Build Cochin Marcellus Lateral NGL Pipeline from West Virginia to Ohio

Kinder Morgan Energy Partners confirmed last week that it has cancelled plans to build the proposed 240-mile Cochin Marcellus Lateral Pipeline, according to a spokesman. The line was intended to transport natural gas liquids (NGL) from the Marcellus producing region of Pennsylvania, West Virginia, and Ohio to the Kinder Morgan Cochin Pipeline in Fulton County, Ohio. The spokesman declined to say why the company has dropped the project, noting only that while the company is “still interested in the Marcellus shale,” at this time it is withdrawing its regulatory applications.

<http://www.mountvernonnews.com/local/12/02/17/kinder-morgan-drops-plans-for-pipeline>

Southern Union Reports Flaring at Its 140 MMcf/d Keystone Gas Plant in Texas February 20

Southern Union Gas Services on Monday reported flaring from an overloaded low-pressure system due to downed field compressors upstream, according to a filing with the Texas Commission on Environmental Quality.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=165063>

Exterran Reports Multiple Engine Problems at Its 50 MMcf/d Reinecke Gas Plant in Texas February 18–21

Exterran reported multiple engine problems at its Reinecke plant recently in filings with the Texas Commission on Environmental Quality. Engine 40046 went down due to low engine coolant level. Engine 74156 went down due to low water jacket level, a dropped valve, and faulty parts. Engine 70972 went down on high discharge pressure. Operators made adjustments and repairs and restarted the units.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=165066>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=165036>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=165139>

Enbridge Reports Continued AGI Unit Problems at Its Tilden Gas Plant in Texas February 17–21

Enbridge has reported persistent problems with its acid gas injector (AGI) Units 1 and 2 in filings with the Texas Commission on Environmental Quality over the last week. In most cases, the units shut down due to high fifth-stage discharge pressure. Operators immediately responded to correct each situation.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.dispatchSearch&reid=895393222001134&rename=TILDEN+GAS+PLANT&county=&ctyoreg=region®ion=&startmonth=2&startday=17&startyear=2012&endmonth=&endday=&endyear=&doit=Submit>

Bad Valves Shut Compressor, Leads to Flaring at Regency’s 70 MMcf/d Eustace Gas Plant in Texas February 18

Regency Energy Partners reported a compressor went down on first-stage discharge temperature last weekend, and a subsequent investigation revealed valves on the compressor need to be replaced. Operators blocked in local well production to minimize flaring, replaced the valves, and restored normal operations.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=165027>

Other News

Nothing to report

International News

Update: Bad Weather Delays Opening of Iraq’s New 900,000 b/d Persian Gulf Oil Export Terminal Offshore Basra – Sources

Bad weather has delayed the opening of Iraq’s new floating terminal, sources said on Tuesday, further postponing a 300,000 b/d export boost that would ease a bottleneck forming as companies working at Iraq’s southern oilfields wait to be able to increase production. Officials inaugurated the new terminal in a ceremony on February 12 and said the first loadings of crude would begin in 7–10 days. Industry sources said they now expect operations to begin by the end of the month, citing choppy waters making it difficult to connect the terminal to a pipeline on the sea bed below. The project to construct one of four planned 900,000 b/d single-point moorings has been delayed several times since it was originally scheduled to launch operations on January 1.

Reuters, 08:32 February 21, 2012

Energy Prices

U.S. Oil and Gas Prices			
February 22, 2012			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	105.69	101.82	90.25
\$/Barrel			
NATURAL GAS			
Henry Hub	2.63	2.48	3.84
\$/Million Btu			

Source: Reuters

Links

This Week in Petroleum from the U.S. Energy Information Administration (EIA)

<http://www.eia.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM EDT every Wednesday.

Natural Gas Weekly Update from EIA

<http://www.eia.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM EDT every Thursday.

ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/ead.aspx>

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