



# ENERGY ASSURANCE DAILY

Thursday Evening, March 03, 2011

## ***Electricity***

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### **Update: Winds Knock Out Power to 60,000-70,000 BC Hydro Customers in British Columbia, Canada March 2**

Fewer than 2,500 customers remained without power, as of latest reports.

<http://www.theglobeandmail.com/news/national/british-columbia/wind-storm-leaves-up-to-70000-without-power-in-bc/article1926546/>

<http://www.bchydro.com/outages/orsTableView.jsp>

### **Calpine's 593 MW Metcalf Energy Center Gas-Fired Unit in California Reduced by March 2**

According to the California Independent System Operator, the unit reported an unplanned curtailment of 333 MW on March 2.

<http://www.caiso.com/unitstatus/data/unitstatus201103021515.html>

## ***Petroleum***

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### **Update: Fighting Continues in Libya as Saudi Arabia Directs Crude Oil Deliveries to Europe March 3**

Pro-Gadhafi forces continued to battle rebel fighters in the oil terminal town of Brega, Libya on March 3, news sources reported, as shipbrokers said Saudi Arabia had moved to compensate for lost oil exports to Europe. Saudi Arabia's Vela International Marine Ltd. directed at least one 1 million barrel tanker to transport crude to the Mediterranean, a shipbroker said. The International Energy Agency (IEA), which said yesterday that Libya's unrest had forced offline between 850,000 and 1 million b/d of crude oil production, said today that the disruption had begun to impact supplies in Europe. The IEA requested approval to release strategic oil inventories, but no country had requested authorization from IEA to release its own reserves, as of latest reports. U.S. crude futures prices dipped on March 3 as the Arab League reported it was attempting to produce a peace accord, but WTI spot prices remained above \$100/barrel, as of latest reports.

[http://www.nytimes.com/2011/03/04/world/africa/04libya.html?\\_r=1&hp](http://www.nytimes.com/2011/03/04/world/africa/04libya.html?_r=1&hp)

[http://www.downstreamtoday.com/news/article.aspx?a\\_id=25880](http://www.downstreamtoday.com/news/article.aspx?a_id=25880)

<http://af.reuters.com/article/cameroonNews/idAFN0329931220110303>

<http://www.chron.com/dispatch/story.mpl/business/energy/7454392.html>

DJN, 08:02 March 3, 2011

### **Update: U.S. Government to Honor Court Deadline, Rule on Deepwater Drilling Applications before End of March: Interior Department Official**

The federal government will honor a court-imposed deadline to rule on five deepwater drilling permits by the end of March, according to David Hayes, deputy secretary of the Interior Department.

[http://www.rigzone.com/news/article.asp?a\\_id=104667](http://www.rigzone.com/news/article.asp?a_id=104667)

### **Process Upset Leads to Emissions at 146,000 b/d Borger, Texas Refinery March 2**

A "process upset" associated with a fluid catalytic cracking (FCC) unit led to emissions on March 2, the company said in a filing with state regulators. The incident lasted just six minutes. It was not clear if there was any impact on production.

<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=151464>



## **Power Outage Postponed Some Deliveries over Weekend along TransCanada's 591,000 b/d Canada-to-U.S. Midwest Keystone Oil Pipeline**

A weekend power outage affected four U.S. Midwest pumping stations and postponed some deliveries, the company said on March 3. Three of the stations had power back within hours; the fourth station was offline for approximately 12 hours. The company did not expect the disruption to impact March nominations.

Reuters, 12:38 March 3, 2011

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

## **CHS Inc. to Expand, Enhance Refined Fuels Supply Infrastructure in Northern Plains, United States**

CHS Inc. plans to carry out nearly a dozen projects over the next three years to expand storage capacity at its terminals, improve and expand truck loading facilities, enhance ethanol blending, and streamline loading technology systems, the company said on March 2. Specifically, it expects to:

- Construct a third truck loading rack, install new pumps and piping to increase loading rates by 125 percent, incorporate a more efficient ethanol blending system, and improve efficiency of bill of lading systems at its terminal in Minot, North Dakota. CHS plans to complete those projects between summer 2011 and the end of 2012. Separately at Minot, CHS expects to open two 120,000-barrel fuel storage tanks in fall 2011.
- Upgrade rail car unloading systems, install new pumps and piping to increase truck loading rates by 50 percent, incorporate a more efficient ethanol blending system, and improve efficiency of bill of lading systems at its terminal in Glendive, Montana. It plans to complete those projects between summer 2011 and mid-2012.
- Install two 120,000 barrel storage tanks at its refinery in Laurel, Montana by early 2012.
- Finish replacing nearly 75 percent of its 237-mile Laurel-Glendive, Montana refined fuels pipeline by the end of 2011.

<http://chsinc.mediaroom.com/index.php?s=43&item=190>

## **Watco, Kinder Morgan Plan Crude by Rail Network in North Dakota, Oklahoma, and Texas**

Watco Companies, LLC and Kinder Morgan Energy Partners, L.P. plan to construct and operate rail transload facilities for loading and unloading crude oil – along with other commodities and products tied to the oil-and-gas industry – in key markets across North Dakota, Oklahoma, and Texas, the companies said on March 1. The network will consist of several key markets including Dore, North Dakota, Stanley, North Dakota, Stroud, Oklahoma, Houston, Texas, and several strategic loading facilities in the Eagle Ford Shale area in south Texas. The Dore, North Dakota facility is expected to begin operations on September 1, 2011. The Stroud, Oklahoma facility is scheduled to open on October 1, 2011. The other locations are slated to start up in the first quarter of 2012.

[http://www.watcocompanies.com/news/press\\_releases/2011/Watco\\_KM\\_PR\\_3-1-11.pdf](http://www.watcocompanies.com/news/press_releases/2011/Watco_KM_PR_3-1-11.pdf)

## **Fire Forces Shut Dewaxing Plant at PdVSA's 310,000 b/d Cardon, Venezuela Refinery March 2**

The fire did not cause any injuries or damage and PdVSA said it had enough supplies to meet its customers' needs. It was not clear when the company expected to restart the dewaxing plant.

<http://online.wsj.com/article/BT-CO-20110302-718010.html>

## **Pemex Expects Six Oilfields in Tabasco State, Mexico to Produce Approximately 50,000 b/d of Crude**

[http://www.rigzone.com/news/article.asp?a\\_id=104666](http://www.rigzone.com/news/article.asp?a_id=104666)

## **Iraqi Oil Exports Surge to Highest Levels since 1989 in February 2011: Oil Ministry**

Iraq exported 2.2 million b/d of crude oil in February 2011, the highest average rate since 1989, the nation's Oil Ministry said on March 3.

[http://www.monstersandcritics.com/news/business/news/article\\_1623439.php/Iraqi-oil-exports-reached-22-year-high-in-February](http://www.monstersandcritics.com/news/business/news/article_1623439.php/Iraqi-oil-exports-reached-22-year-high-in-February)



## Natural Gas

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### **SemGas, L.P. to Install 30 MMcf/d Natural Gas Processing Plant in Hopeton, Oklahoma**

The facility would serve Eagle Energy Company's drilling activities in the Mississippi and Hunton geological formations, SemGas, L.P. said on March 1. SemGas, L.P. is a subsidiary of SemGroup Corporation.

[http://ir.semgroupcorp.com/phoenix.zhtml?c=235216&p=irol-newsArticle\\_Print&ID=1534660&highlight=](http://ir.semgroupcorp.com/phoenix.zhtml?c=235216&p=irol-newsArticle_Print&ID=1534660&highlight=)

## Other News

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### **Update: Provincial Regulators Approve Irving Oil's Eider Rock Marine Terminal Project in New Brunswick, Canada by March 2**

Irving Oil expects to install a marine terminal, a barge landing facility, a pipeline to link the terminal with an existing refinery, and a heavy haul road. The company had planned to construct a second refinery, but economic conditions led it to cancel those plans in 2009.

<http://www.cbc.ca/news/canada/new-brunswick/story/2011/03/02/nb-eider-rock-approval.html>

## Energy Prices

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U.S. Oil and Gas Prices			
March 3, 2011			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	100.43	98.03	80.67
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	3.79	3.83	4.78

Source: Reuters

## Energy Notes

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### **Storm Leads to Problem at Substation, Knocks Out Power Temporarily to More than 12,600 Rocky Mountain Power Customers in Utah March 3**

<http://www.standard.net/topics/weather/2011/03/03/storm-cuts-power-over-12000-weber-county-cities>

### **Snag Leads to Power Blip, Forces Entergy's 951 MW Indian Point Nuclear Unit 2 in New York to Run on Backup Power for Approximately Two Hours March 2**

<http://www.recordonline.com/apps/pbcs.dll/article?AID=/20110302/NEWS90/110309966/-1/SITEMAP>

### **ExxonMobil Reports No Production Impact after Leak at 344,500 b/d Beaumont, Texas Refinery March 2**

Reuters, 09:57 March 3, 2011

### **Leak Leads to Power Breaker Malfunction at Slaughter Gasoline Plant in Texas March 3**

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=151409>

### **Update: Arkansas Oil and Gas Commission to Consider Blocking Two Natural Gas Drillers - Clarita Operating LLC and Chesapeake Energy Corp. – from Injecting Wastewater Underground – Regulators Studying Whether Injections are Related to Recent Spate of Earthquakes**

[http://online.wsj.com/article/SB10001424052748704728004576176950801034650.html?mod=googlenews\\_wsj](http://online.wsj.com/article/SB10001424052748704728004576176950801034650.html?mod=googlenews_wsj)



## U.S. Department of Energy, U.S. Department of Defense Announce New Steps to Enhance Cooperation on Clean Energy and Energy Security March 2

<http://www.energy.gov/news/10156.htm>

### Links

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***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](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](mailto:ead@oe.netl.doe.gov)