



ENERGY ASSURANCE DAILY

Tuesday Evening, April 03, 2012

Electricity

Tornadoes Knock Out Power to Nearly 40,000 Oncor Customers in Dallas Metro Area April 3

At least two tornadoes touched down in the Dallas-Fort Worth metropolitan area Tuesday, destroying power lines, and knocking out power to 38,659 Oncor Electric Delivery customers.

<http://stormcenter.oncor.com/default.html>

http://usnews.msnbc.msn.com/_news/2012/04/03/11003782-tremendous-damage-as-2-twisters-reportedly-touch-down-in-dallas-area

Snow, Rain Cut Power to More Than 22,000 Xcel Customers in Metro Denver April 2–3

Xcel Energy reported Tuesday as of 6:30 AM local time that more than 22,000 customers scattered across the Denver metropolitan area lost power in a snow storm overnight Monday and Tuesday, according to reports. A spokesman from the utility reported some pole fires may have been caused by the magnesium chloride transportation workers put on the roads. Xcel was bringing in additional crews to help with repairs, and expected to restore power to all affected customers by Tuesday afternoon.

<http://www.thedenverchannel.com/news/30823503/detail.html>

Update: Entergy's 813 MW FitzPatrick Nuclear Unit in New York Ramped Up to 35 Percent by April 3

Entergy Corp. was operating the unit at reduced power on Monday to perform repairs on one of the reactor's water recirculation pump motors, according to previous reports.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2012/>

AEP Restarts 558 MW Welsh Coal-Fired Unit 3 in Texas April 3–8 after Unspecified Outage Activity

AEP reported Unit 3 would be in startup following the completion of unspecified outage activity, 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=166311>

Update: PG&E's 1,087 MW Diablo Canyon Nuclear Unit 1 in California Ramped Up to 82 Percent by April 3

On the morning of April 2 the unit was operating at 55 percent.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2012/>

Update: AES Returns 506 MW Redondo Gas-Fired Unit 7 to Service, Shuts 175 MW Gas-Fired Unit 6 in California by April 2

The California Independent System Operator reported AES's Redondo Unit 7 returned from an unplanned outage, and Unit 6 entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201204021515.html>

AES's 336 MW Alamos Gas-Fired Unit 4 in California Shut by April 2

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201204021515.html>

FPL Reports Fire from Hydrogen Supply in Volume Control Tank at Its 693 MW Turkey Point Nuclear Unit 3 in Florida April 2

Florida Power & Light (FPL) reported a fire was discovered Monday evening on top of the auxiliary building roof coming from a 1-inch hydrogen supply header to the U-3 volume control tank, according to a filing with the U.S. Nuclear Regulatory Commission. Operators declared an unusual event when the fire lasted more than 15 minutes in the protected area. The fire was out by 8:18 PM EDT, and no damage to plant equipment or adverse effect to safe shutdown systems was reported. Unit 3 has been shut for refueling since late February.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2012/20120403en.html>

Petroleum

Preferred Sands LLC is Frontrunner to Buy Sunoco's 335,000 b/d Philadelphia, Pennsylvania Refinery – Sources

Preferred Sands LLC is a possible frontrunner among a number of firms bidding to buy Sunoco's Philadelphia refinery, two sources familiar with the bidding process said on Monday. Sunoco continues to operate the plant but has said it will idle the plant on July 1 if it is not sold. A Preferred Sands executive confirmed the company has bid to buy the plant, which it would continue operating as a refinery. Preferred Sands supplies sand and proppant to the hydraulic fracturing industry, and it also operates a fleet of more than 1,500 railcars with connections to major railroads. According to the company, this rail connection would help the refinery process more of the cheaper domestic North American crude oil, including Bakken Shale oil shipped by rail from North Dakota, which would improve profit margins.

<http://www.reuters.com/article/2012/04/02/us-sunoco-philadelphia-sale-idUSBRE83116Z20120402>

Unspecified Equipment Startup Leads to Emissions at PBF's 180,000 b/d Paulsboro, New Jersey Refinery April 2

PBF Energy reported sulfur dioxide emissions at its Paulsboro refinery Monday after restarting unspecified equipment, according to a filing with the New Jersey Department of Environmental Protection.

Reuters, 16:32 April 2, 2012

Pump Failure Leads to FCCU Emissions at ExxonMobil's 344,5000 b/d Beaumont, Texas Refinery April 2

ExxonMobil Corp. reported a pump in gas compressor plant No. 3 failed late Monday at its Beaumont refinery and resulted in flaring, according to a filing with the Texas Commission on Environmental Quality. The filing reported the fluid catalytic cracking unit (FCCU) as a source of emissions. Operators made adjustments to stop the flaring, and the refinery anticipates no impact to production as a result of the event.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=166717>

Valero Reports Thermal Oxidizer Failure, Emissions at Its 142,000 b/d Corpus Christi, Texas Refinery April 2

Valero reported the failure of a thermal oxidizer on Monday allowed vapors to escape the tank, according to a filing with the Texas Commission on Environmental Quality. Operators later returned the thermal oxidizer to service.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=166715>

Power Failure Shuts SRU at CVR's 70,000 b/d Wynnewood, Oklahoma Refinery April 2

CVR Energy reported a power failure Monday caused a sulphur recovery unit (SRU) to trip at its Wynnewood refinery, according to a notice filed with the U.S. National Response Center. Operators reduced charge rates while they workers to get the SRU back online Monday, the filing said.

Reuters, 02:08 April 3, 2012

Sinclair Reports Flaring without Identifying Cause at Its 74,000 b/d Sinclair, Wyoming Refinery April 2

Sinclair Oil Corp. on Monday discovered a release of hydrogen sulfide from the south flare at its refinery in Sinclair, Wyoming, according to a filing with U.S. National Response Center. The filing does not identify the cause of the flaring event.

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1007540

EPA Delays Rule to Cut Emissions from Hydraulic Fracturing Operations

The U.S. Environmental Protection Agency (EPA) has agreed to a 2-week extension, from April 3 to April 17, before finalizing rules to reduce emissions from hydraulic fracturing operations, an agency spokeswoman said. A draft rule issued in July proposed cutting emissions of volatile organic compounds that contribute to smog by nearly 25 percent across the oil and gas industry, and by 95 percent from gas wells using hydraulic fracturing. The agency needs additional time to fully address the issues raised in more than 156,000 public comments on the proposed rules, the spokeswoman said.

<http://www.reuters.com/article/2012/04/02/usa-emissions-fracking-idUSL2E8F2CIF20120402?type=companyNews&feedType=RSS&feedName=companyNews&rpc=43>

EPA Drops Allegations that Range Resources Polluted Drinking Water in Texas Using Hydraulic Fracturing to Recover Natural Gas

Reuters, 12:45 April 2, 2012

Update: Williams Partners Temporarily Reroutes Lathrop Station Natural Gas Flow in Northeast Pennsylvania after Flash Fire Last Week

Williams Partners L.P. yesterday reported it was temporarily rerouting natural gas flow from its Lathrop Compressor Station in Springville, Pennsylvania while inspections and repairs take place following a flash fire on Thursday, March 29, according to a news release. Approximately 200 MMcf/d of natural gas was being diverted to the Wilcox Compressor Station for compression. Most of the damage from the fire occurred to the exterior of the station, while the majority of the equipment and flooring inside the building remain undamaged, the filing said

<http://www.williamslp.com/profiles/investor/ResLibraryView.asp?ResLibraryID=52963&BzID=1296&g=345&Nav=0&LangID=1&s=0>

Energy Transfer Files with FERC to Build Natural Gas Liquefaction Project at Lake Charles, Louisiana LNG Terminal

Energy Transfer Equity, L.P. yesterday announced that its Trunkline LNG Company, Trunkline LNG Export, and Trunkline Gas Company subsidiaries have filed with the U.S. Federal Energy Regulatory Commission (FERC) to build the previously announced natural gas liquefaction project under development at the company's existing LNG import terminal in Lake Charles, Louisiana. The Lake Charles liquefaction project is being developed to liquefy domestic supplies of natural gas for export to foreign countries. As part of the project, Trunkline Gas Company plans to extend its interstate natural gas pipeline approximately half a mile to provide feed gas to the liquefaction facility. The project is currently planned to export up to 15 million metric tons of LNG per year, which is the equivalent of approximately 2 Bcf/d of natural gas. Pending regulatory approvals, Trunkline LNG Export currently expects to begin project construction in 2014 and commence operation in the spring of 2018.

<http://ir.energytransfer.com/phoenix.zhtml?c=106094&p=irol-newsArticle&ID=1679017>

Exterran Shuts Most Engines at 50 MMcf/d Reinecke Gas Plant in Texas for Repairs April 2; Plans Complete Shutdown by April 9 to Finish Repairs

Exterran reported almost the entire Reinecke gas plant shut down due to recurrent problems with the membrane compressors, engine mechanical issues, and other issues affecting the fuel gas that runs the compressors, according to a filing with state regulators. Only four electric engines remained online at the time of the filing, and operators plan to keep those units running until April 9, when they too will be taken offline for additional plant repairs. The plant is scheduled to restart late the week of April 8. An unspecified upstream customer has shut-in some wells to minimize emissions, and it will completely shut-in all wells around April 9 when the remaining four engines are taken offline.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=166722>

ExxonMobil Reports Unit Shutdown at Its 135 MMcf/d Salt Creek Gas Plant in Texas April 2

ExxonMobil reported it shut Unit K3501D after discovering high pressure on the fourth stage of compression, routing its inlet gas to flare during repairs, according to a filing with the Texas Commission on Environmental Quality. Upon investigation, workers discovered the wiper packing on the fourth-stage compressor was leaking. The unit will be restarted following repairs.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=166708>

Power Failure Shuts AGI Units at Enbridge's Tilden Gas Plant in Texas April 2

Enbridge reported a power failure on Monday shut acid gas injector (AGI) Units 1 and 2, according to a filing with the Texas Commission on Environmental Quality. All process gas routed to flare to mitigate emissions.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=166713>

GreenHunter Water to Lease Ohio River Barge Transloading and Water Storage Facilities to Support Operations in Marcellus and Utica Shale Plays

GreenHunter Energy, Inc. announced today that its wholly-owned subsidiary, GreenHunter Water, LLC, has entered into a 5-year lease for an existing truck and barge transloading and water storage facility located in Washington County, Ohio. The existing facility and infrastructure is positioned on the Ohio River in the center of the Marcellus and Utica Shale plays and will serve as an operating base for GreenHunter's Appalachia water management businesses. Originally constructed in 1966 by Mobil Oil, the approximately 10-acre facility contains 70,000 barrels (bbl) of functional bulk liquids storage tank capacity, a barge transloading station, and a covered loading station with multiple truck-servicing bays. The two 20,000-bbl tanks and one 30,000-bbl tank were originally used for gasoline storage until they were decommissioned in 1990 and will now serve as temporary fluids storage of fresh water and production water.

<http://phx.corporate-ir.net/phoenix.zhtml?c=219127&p=irol-newsArticle&ID=1679547>

Other News

EPA to Allow 15 Percent Ethanol in Gasoline; Approves First Applications for Registration of Ethanol to Make E15

The U.S. Environmental Protection Agency (EPA) yesterday approved the first applications for registration of ethanol for use in making gasoline that contains up to 15 percent ethanol—known as E15. For over 30 years ethanol has been blended into gasoline, but the law limited it to 10 percent by volume for use in gasoline-fueled vehicles. Registration of ethanol to make E15 is a step toward its production, sale, and use in model year 2001 and newer gasoline-fueled cars and light trucks. To enable widespread use of E15, the Obama administration has set a goal to help fueling station owners install 10,000 blender pumps over the next 5 years. Registration is a prerequisite to introducing E15 into the marketplace. Before it can be sold, manufacturers must first take additional measures to help ensure retail stations and other gasoline distributors understand and implement labeling rules and other E15-related requirements. EPA is not requiring the use or sale of E15.

<http://yosemite.epa.gov/opa/admpress.nsf/d0cf6618525a9efb85257359003fb69d/1c797da0cdfb4da6852579d40069dbf!OpenDocument>

Kinder Morgan Completes 16-Inch Dedicated Ethanol Pipeline Between Carteret and Linden, New Jersey

Kinder Morgan Energy Partners, L.P. today announced the completion and startup of a 16-inch dedicated ethanol pipeline connection between its Linden, New Jersey unit-train facility and its largest New York Harbor terminal in Carteret, New Jersey. The Linden terminal has handled as much as 36,000 barrels of ethanol a day, with 550,000 barrels of storage through Citgo Petroleum's Tremley Point terminal, which features a high-speed truck rack, a barge, and a ship dock. The project complements a previously announced 1 million-barrel expansion project at the 8 million-barrel Carteret storage terminal. The pipeline will allow Linden customers access to four Carteret barge docks and two ship docks, while expanding the storage capacity of the Linden terminal. Ethanol customers at Carteret now have access to a full unit-train receiving system. Initially, Kinder Morgan is planning an additional 195,000 barrels of ethanol service at Carteret. The pipeline will initially move only domestic grade, fully denatured product, but Kinder Morgan plans to offer the capability to handle ethanol specifications suitable for export in the near future as the market dictates.

<http://phx.corporate-ir.net/phoenix.zhtml?c=93621&p=irol-newsArticle&ID=1679777>

Yemen Militants Bomb Oil Pipeline Transporting Oil to Bir Ali Terminal on the Gulf Aden April 2

Islamist militants claimed responsibility for blowing up an oil pipeline in Yemen late on Monday, the second such attack in 4 days, according to reports. The blast set fire to a pipeline transporting oil from the southern province of Shabwa to the Bir Ali terminal on the Gulf of Aden, an industry official said. Militants on Friday blew up a pipeline that transports gas to a liquefied natural gas export facility at Balhaf port on the Arabian Sea, forcing a halt to production.

<http://www.reuters.com/article/2012/04/03/yemen-pipeline-oil-idUSL6E8F31UE20120403?feedType=RSS&feedName=rbssEnergyNews&rpc=43>

Update: Total to Send Experts to Elgin Platform in North Sea to Assess Situation, Plan Recovery Strategy; Adverse Weather Slows Efforts

Total S.A. on Tuesday said it would send a team of experts Wednesday afternoon or Thursday morning to assess what's needed to stop a gas leak at its Elgin platform in the North Sea, according to a spokesman. Helicopter flights resumed carrying crews to oil and gas rigs on Tuesday afternoon, but adverse weather conditions have impeded recovery efforts and grounded traffic overnight. Total evacuated the platform and halted production March 26 after discovering the leak, which is estimated to be releasing 200,000 cubic meters of natural gas per day. Operators have said the leak likely began after pressure rose in a capped well.

Reuters, 11:20 April 3, 2012

Production Problems, Shutdown of Elgin Platform Delay at Least 7 Cargoes of April-Loading North Sea Forties Crude Oil; 3 April Cargoes Cancelled

Reuters, 11:20 April 3, 2012

Saudi Arabia to Maintain High Oil Production Rates if U.S., Allies Release Reserve Stocks; Won't Discount Crude Prices in That Event – Industry Sources

Reuters, 10:30 April 3, 2012

Energy Prices

U.S. Oil and Gas Prices			
April 3, 2012			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	104.68	106.98	106.80
NATURAL GAS Henry Hub \$/Million Btu	1.88	2.16	4.32

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 and 1:00 PM Eastern Time every Wednesday.

Natural Gas Weekly Update from EIA

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

Updated after 2:00 PM Eastern Time every Thursday.

ENERGY ASSURANCE DAILY

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

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