



# ENERGY ASSURANCE DAILY

Wednesday Evening, April 18, 2012

## ***Electricity***

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### **Update: Westar Not Likely to Fully Restore Power in Tornado-Damaged Wichita until April 19**

Westar Energy reported late Monday that it was not likely to fully restore power to Wichita-area customers affected by Saturday night's tornado until sometime Thursday because workers discovered "significantly more damage" than anticipated, according to a press release. Approximately 1,336 Westar Energy customers remained without power Wednesday afternoon.

<https://www-11.westarenergy.com/outagemaps/outagetable.asp>

[http://www.westarenergy.com/corp\\_com/corpcomm.nsf/unid/94419F631A1CE894862579E2007D3877/\\$file/041612%20wichita%20tornado%20update.pdf](http://www.westarenergy.com/corp_com/corpcomm.nsf/unid/94419F631A1CE894862579E2007D3877/$file/041612%20wichita%20tornado%20update.pdf)

### **Update: Duke Energy's 1,129 MW Catawba Nuclear Unit 1 in South Carolina Ramped Up to 55 Percent by April 18**

On the morning of April 17 the unit was operating at 14 percent. Unit 1 is returning from an unexpected outage on April 4, which occurred when the plant lost offsite power.

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

### **Update: Southern's 1,152 MW Vogtle Nuclear Unit 1 in Georgia at Full Power by April 18**

On the morning of April 17 the unit was operating at 70 percent. Southern Nuclear Operating Co. restarted Unit 1 Sunday following repairs to a water pump. The reactor was manually tripped Saturday afternoon when the Main Feedwater Pump B discharge flow lowered unexpectedly.

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

### **Nearly 3,100 Southern California Edison Customers Briefly Lose Power after Suspected Copper Thief Is Electrocuted Using Bolt Cutters on Live Wire April 16**

<http://www.foxnews.com/us/2012/04/17/man-electrocuted-in-california-copper-theft-try/>

## ***Petroleum***

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### **Update: BP on Track to Complete Post-Fire Repairs at Its 225,000 b/d Cherry Point, Washington Refinery by Early May – Source**

BP Plc should finish maintenance work at its Cherry Point refinery by the end of April or early May, a source familiar with the refinery said Tuesday. Operators started planned maintenance work originally due later in the year after a mid-February fire in a crude distillation unit shut the plant. BP reported in early March that the refinery would remain shut into April.

<http://www.foxbusiness.com/news/2012/04/17/bp-hoping-for-early-may-end-to-cherry-point-maintenance-source/>

### **Tesoro Cuts Coker Rates after Compressor Breakdown at Its 96,860 b/d Wilmington, California Refinery April 17**

Tesoro Petroleum Corp said it reduced rates on a delayed coking unit after a compressor breakdown on Tuesday morning led to flaring at its Wilmington refinery, according to a filing with state regulators. The equipment flaring was ongoing and repairs were underway at the refinery, the filing said. A Tesoro spokeswoman confirmed a compressor was shut after a power failure at the refinery.

<http://www.reuters.com/article/2012/04/17/refinery-operations-tesoro-wilmington-idUSWNAB101020120417>

## **High Water Content Upsets Crude Distillation Unit, Leads to Flaring at ExxonMobil's 572,500 b/d Baytown, Texas Refinery April 16**

ExxonMobil reported a safety valve was relieved for approximately 30 minutes to the flare system due to a crude distillation tower upset caused by high water content Monday, according to a filing with the Texas Commission on Environmental Quality. Operators reduced water content in the desalters and restored normal operations. The filing said the incident did not impact production.

<http://www11.tceq.state.tx.us/oce/eeer/index.cfm?fuseaction=main.getDetails&target=167302>

## **U.S. Development Group Doubles Capacity to 130,000 Barrels at St. James, Louisiana Crude Oil Handling and Distribution Rail Terminal**

U.S. Development Group LLC announced Tuesday that it has completed an expansion of its St. James Rail Terminal (SJRT), a crude oil and condensate handling and distribution hub located in the Gulf Coast region of Louisiana, doubling the terminal's capacity to 130,000 barrels—or two unit trains—per day. SJRT, which began operations in summer 2010 and is served by the Union Pacific Railroad, currently receives unit train shipments of crude oil, condensate, and related products from the Bakken, Niobrara, and Eagle Ford shale plays. SJRT is connected via pipeline to an adjacent crude oil/condensate storage terminal operated by Plains Marketing, L.P.

[http://www.us-dev.com/news\\_041712.php](http://www.us-dev.com/news_041712.php)

## **Nexen Receives Regulatory Approvals to Continue Development of Its Long Lake Oil Sands Project in Alberta**

Nexen Inc. on Monday announced it received regulatory approval to drill more wells at its Long Lake oil sands facility, a steam-assisted gravity drainage and upgrading joint venture project it operates near Fort McMurray, Alberta. In a statement, Nexen reported Pads 1–11 at the site produced an average of 34,500 b/d of bitumen in the first quarter of 2012, an increase of 10 percent over the prior quarter. It has begun steam injection on Pads 12–13, which are expected to achieve peak production rates of 11,000–17,000 b/d, and it plans to begin drilling on its three newly approved sites—Pas12 and 13, and Kinosis 1A—later this year.

[http://www.nexeninc.com/en/AboutUs/MediaCentre/NewsReleases.aspx?year=2012&release\\_id=126897](http://www.nexeninc.com/en/AboutUs/MediaCentre/NewsReleases.aspx?year=2012&release_id=126897)

<http://www.ctv.ca/generic/generated/static/business/article2404331.html>

## **Natural Gas**

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### **EPA Issues Updated Air Pollution Standards That Delay Some Hydraulic Fracturing Requirements until 2015**

The U.S. Environmental Protection Agency (EPA) has finalized standards to reduce emissions caused by hydraulic fracturing, a method of releasing natural gas captured in underground shale deposits by shooting high-pressured, chemically treated water into the ground. An estimated 13,000 new and existing natural gas wells are fractured or re-fractured each year, the EPA said in a release. The updated EPA standards require operators of new fractured natural gas wells to use technologies and practices to capture natural gas that might otherwise escape the well during production. The final rule establishes a phase-in period. During the first phase, until January 2015, owners and operators must either flare their emissions or use emissions reduction technology called “green completions,” technologies that are already widely deployed at wells. In 2015, all new fractured wells will be required to use green completions.

<http://yosemite.epa.gov/opa/admpress.nsf/d0cf6618525a9efb85257359003fb69d/c742df7944b37c50852579e400594f8f!OpenDocument>

### **Update: Sempra Announces Development Agreements for Proposed 1.7 Bcf/d Cameron LNG Export Facility in Louisiana**

Sempra Energy subsidiary Cameron LNG on Tuesday announced that the company has signed commercial development agreements with Mitsubishi Corporation and Mitsui & Co., Ltd. to develop and construct a natural gas liquefaction export facility at the site of the Cameron LNG receipt terminal in Hackberry, Louisiana. The agreements bind the parties to fund all development expenses, including design, permitting, and engineering, as well as to negotiate two 20-year tolling agreements for 4 million tonnes per annum (Mtpa) each. The completed liquefaction facility is expected to be comprised of three liquefaction trains with a total export capability of 12 Mtpa of liquefied natural gas (LNG), or approximately 1.7 Bcf/d. Negotiations with other parties for the export of the remaining 4 Mtpa are ongoing. Pending regulatory approvals, construction on the project is expected to start in late 2013 with operations to commence in late 2016.

<http://sempra.mediaroom.com/index.php?s=19080&item=126964>

## **Update: FERC Withdraws Approvals for Proposed Jordan Cove LNG Terminal in Oregon after Plans Switch from Import to Export**

The U.S. Federal Energy Regulatory Commission (FERC) on Monday withdrew approvals it granted in late 2009 for the proposed Jordan Cove liquefied natural gas (LNG) terminal in Coos Bay, Oregon and associated 234-mile pipeline connecting the terminal to a gas hub at Malin, Oregon, citing the project's recent change from planning a terminal that would import natural gas to one that would export the product. The Oregon Department of Justice has argued that Jordan Cove can't just switch from one plan to the other, and FERC has largely agreed, adding also that the terminal's proposed location near a regional airport raises safety questions. The original approvals were vacated without prejudice, so Jordan Cove can restart the application process for approval to build an export terminal. A Jordan Cove project manager said the group is already preparing an export application.

<http://www.npr.org/local/stories/OPB/150830280>

<http://www.npr.org/local/stories/OPB/150772067>

## **High Inlet Pressure Shuts Acid Gas Compressor at Regency's 290 MMcf/d Waha Gas Plant in Texas April 17**

Regency Energy Partners reported an acid gas compressor shut down Tuesday due to high inlet pressure at the scrubber, according to a filing with the Texas Commission on Environmental Quality. Acid gas was routed to the flare, as designed, and the system was later placed back online.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=167278>

## **Flash Tank Glitch Shuts AGI Units at Enbridge's Tilden Gas Plant in Texas April 16**

Enbridge reported acid gas injector (AGI) Units 1 and 2 shut down Monday due to flash tank swing, according to a filing with the Texas Commission on Environmental Quality. Operators routed all process gas to flare to mitigate emissions.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=167259>

## **Other News**

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### **Energy Department Report Finds Potential to Increase Hydroelectric Power Capacity by 12 GW at Existing Dams across U.S.**

The U.S. Energy Department yesterday released a renewable energy resource assessment detailing the potential to develop electric power generation at existing dams across the United States that aren't currently equipped to produce power. The report estimates that without building a single new dam, these available hydropower resources, if fully developed, could provide an electrical generating capacity of more than 12 gigawatts (GW), equivalent to roughly 15 percent of current U.S. hydropower capacity. The report, titled *An Assessment of Energy Potential at Non-Powered Dams in the United States*, analyzes more than 54,000 specific sites that could be developed to generate power.

[http://www1.eere.energy.gov/water/pdfs/npd\\_report.pdf](http://www1.eere.energy.gov/water/pdfs/npd_report.pdf)

<http://energy.gov/articles/energy-department-report-finds-major-potential-increase-clean-hydroelectric-power>

### **Two-year Progress Report Shows Progress on Interagency MOU to Develop Hydropower Generation in the U.S.**

The Department of the Interior, the Department of the Army, and the Department of Energy have released a 2-year progress report on the implementation of an interagency Memorandum of Understanding (MOU) on hydropower, which was signed in March 2010 to advance development of hydropower generation in the United States. The interagency cooperation has enabled coordinated hydropower research and development efforts, advances in hydropower technology, the streamlining of licensing and permitting processes, an assessment of the potential for adding hydropower generation at existing facilities, and the development of a database for all existing U.S. hydropower infrastructure.

[www.usbr.gov/power](http://www.usbr.gov/power)

<http://www.doi.gov/news/pressreleases/Partnerships-Generate-Support-for-Hydropower-Resources.cfm>

### Canada Government to Have Final Decision Authority on Major Pipeline Projects; Strips National Energy Board of Certain Veto Powers

The Canadian government said on Tuesday that it would now assume final approval of major pipeline projects instead of the National Energy Board, Canada's federal energy regulator. According to an official document, the government would "establish clearer accountability for decisions on major pipeline projects in the national interest by giving government authority to make the 'go/no go' decisions, based on the recommendations of the National Energy Board." Under the current system, the government can stop a pipeline that the NEB has approved but it cannot overrule a decision by the NEB to veto a project.

<http://www.reuters.com/article/2012/04/17/canada-environment-pipelines-idUSL2E8FHG5G20120417?feedType=RSS&feedName=basicMaterialsSector&rpc=43>

### Update: Total Spuds Relief Well, Prepares Onboard Well-Kill Operation at Its Elgin Well in North Sea April 18

Total SA said Wednesday a team of engineers arrived at the Elgin North Sea platform this morning to further preparations for an onboard well-kill operation to end an ongoing natural gas leak that began late last month. The company has also begun drilling one of two planned relief wells.

[http://www.rigzone.com/news/article.asp?a\\_id=117028](http://www.rigzone.com/news/article.asp?a_id=117028)

### International Pressure Mounts as South Sudanese Forces Attack Abyei Region, Refuse to Withdraw from Heglig Oil Field

<http://www.france24.com/en/20120418-fears-rival-sudans-heading-towards-all-out-war>

## Energy Prices

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U.S. Oil and Gas Prices			
April 18, 2012			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	102.61	102.68	106.92
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	1.89	1.99	4.23

Source: Reuters

## Links

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*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](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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