



ENERGY ASSURANCE DAILY

Tuesday Evening, May 03, 2011

Electricity

Update: After Deadly Storms, about 140,000 Customers Remain without Power in Alabama and Tennessee May 3

Some 118,000 customers from power companies that purchase electricity from the Tennessee Valley Authority (TVA), about 12,500 EPB customers in Tennessee, and 8,295 Alabama Power customers in Alabama remained without power on May 3, after storms and tornadoes killed hundreds and knocked out electricity to more than 2 million customers across several states, multiple news, official, and company sources reported. To see a full list of affected utilities, please see last Friday's Energy Assurance Daily. For latest updates on the storm, please see the latest Situation Report from the Office of Electricity Delivery & Energy Reliability (first link below).

http://www.oe.netl.doe.gov/named_event.aspx?ID=34

<http://www.tva.com/news/releases/aprjun11/storm.htm>

http://www.alabamapower.com/news/dyn_pressroom.asp?s=43&item=2316

http://www.chattanooga.com/articles/article_200347.asp

Lightning Strikes Suspected to Blame as 60,000 HECO Customers Lose Power in Hawaii May 2

Lightning struck two transmission lines in Oahu, Hawaii, disrupting service from two substations and knocking out power to approximately 60,000 Hawaiian Electric Company (HECO) customers on May 2, a company spokesman said. HECO finished restoring power to the affected customers by yesterday evening, it said in a press release.

http://www.heco.com/vcmcontent/StaticFiles/pdf/20110502_Storm_outage_release.pdf

<http://www.kitv.com/news/27755113/detail.html>

Constellation's 565 MW Nine Mile Point Nuclear Unit 1 in New York Shut May 2

The unit shut automatically on May 2, the company said in a filing with the Nuclear Regulatory Commission (NRC). It was not clear what caused the shutdown, according to the filing. The NRC reported that on the morning of May 2 the unit was operating at 48 percent.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2011/20110503en.html>

Information also derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2011/>

Update: Exelon's 1,093 MW Peach Bottom Nuclear Unit 3 in Pennsylvania at Full Power by May 3

The Nuclear Regulatory Commission reported that on the morning of May 2 the unit was operating at 89 percent. Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2011/>

Update: PSE&G's 1,096 MW Salem Nuclear Unit 1 in New Jersey Ramped Up to 18 Percent by May 3

The Nuclear Regulatory Commission reported that on the morning of May 2 the unit was operating at 8 percent. Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2011/>

Update: PG&E's 404 MW Helms Hydro Unit 3 in California Returns to Service by May 2

According to the California Independent System Operator, the unit reported a return from an unplanned outage.

<http://www.caiso.com/unitstatus/data/unitstatus201105021515.html>

Mitsubishi to Break Ground on Proposed Power Transformer Factory in Memphis, Tennessee May 10

Mitsubishi Electric Power Products, Inc. expects to begin production in 2013, it said previously.

<http://www.meppi.com/corporate/News/Pages/Transformer.aspx>

BSW, 09:01 May 3, 2011

Petroleum

Update: Companies Work to Restore Oil Output after Weekend Blizzard Briefly Knocked Offline More than 350,000 b/d of Production in North Dakota's Bakken Oil Patch

Companies were working to restore oil production in the Bakken oil patch of North Dakota, the president of the North Dakota Petroleum Council said on May 2, after a weekend blizzard forced offline more than 350,000 b/d of output. The storms also cut electricity to about 30,000 customers – including about 16,000 Montana-Dakota Utilities customers, 10,000 Mountrail-Williams Electric Cooperative customers, and 4,000 Lower Yellowstone Rural Electric Association customers – in North Dakota and Eastern Montana, sources said previously. The companies had restored service to most of those customers, as of latest reports.

<http://www.businessweek.com/ap/financialnews/D9MVFNS00.htm>

<http://www.therepublic.com/view/story/edccc59e41cc4f00b85f6135898696ca/ND--Power-Outage/>

http://www.bismarcktribune.com/news/local/article_6e7721c6-73aa-11e0-ba4a-001cc4c03286.html

<http://www.minotdailynews.com/page/content.detail/id/554297/Power-outages-continue-in-N-D-.html?nav=5010>

http://billingsgazette.com/news/state-and-regional/montana/article_a497c0ee-02ed-5551-951b-8df3cd21f4be.html

Update: After April 29 Spill, Plains All American Restarts Parts of 200,000 b/d, 480-Mile, Alberta-to-Edmonton Rainbow Crude Oil Pipeline by May 2

Plains All American Pipeline restarted parts of its Rainbow crude oil pipeline, the company said by May 2, after a spill forced shut the line on April 29. The company excavated the damaged segment, “installed a stoppal unit on the Northern section of the damaged pipe,” and expected to finish installing a stoppal unit on the pipe’s southern section by May 3, a spokesman said. The pipeline spilled hundreds of barrels of oil about 62 miles northeast of Peace River, Alberta, regulators said previously. That spill was contained by May 2, according to the company.

<http://www.vancouversun.com/news/Alberta+spill+contained+pipeline+restarted+areas/4712974/story.html>

<http://www.marketwatch.com/Story/story/print?guid=FF166BCB-C034-4AF0-994A-2DB858B8038E>

<http://www.reuters.com/article/2011/04/29/alberta-pipeline-leak-idUSN2927497420110429>

<http://www.b2i.us/profiles/investor/ResLibraryView.asp?BzID=789&ResLibraryID=44915&Category=117>

http://www.plainsmidstream.com/ops_assetmap.html

Reuters, 16:21 May 2, 2011

Power Dip Forces Offline Multiple Units at ConocoPhillips' 139,000 b/d Wilmington, California Refinery May 2

A “power dip” temporarily forced shut “several refinery units” on May 2, a ConocoPhillips spokesman said. The company was “in the process of restarting the affected units,” according to the spokesman. It was not clear which units were shut or when the company expected to resume normal operations. The incident led to flaring, according to a filing with state regulators.

<http://www.automatedtrader.net/real-time-dow-jones/58351/conocophillips-los-angeles-area-refinery-units-restarting-after-power-dip>

<http://www.oes.ca.gov/Operational/MALHaz.nsf/f1841a103c102734882563e200760c4a/3d40a19925b55a76882578840074a391?OpenDocument>

Fire Extinguished Quickly at Suncor's 85,000 b/d Sarnia, Ontario Refinery May 2

Excessive flaring was thought to have caused a ditch fire on May 2, but the blaze was extinguished quickly. It was not clear if there was any impact on production.

<http://www.theobserver.ca/ArticleDisplay.aspx?e=3106478>

<http://www.suncor.com/en/about/232.aspx>

Valero, Harvest Pipeline Plan 50,000-70,000 b/d Crude Oil Pipeline in Texas – Line Would Deliver Oil from Eagle Ford Region to Valero’s 85,000 b/d Three Rivers, Texas Refinery

The 50-mile line would initially deliver up to 50,000 b/d of oil, but could be expanded to transport more than 70,000 b/d, Harvest Pipeline and Valero said on May 2. The companies expect to begin operations in December 2011.

http://www.downstreamtoday.com/news/article.aspx?a_id=26496

Enterprise Products Partners Plans 200,000 b/d, 80-Mile Extension of Existing 350,000 b/d Eagle Ford Shale Crude Oil Pipeline in Texas

The extension, dubbed the Phase II project, would allow Enterprise Products Partners L.P. to serve growing production areas in the southwestern portion of the Eagle Ford Shale play, the partnership said on May 3. The project would originate in Wilson County, Texas at the terminus of the partnership’s previously-announced 140-mile Phase I segment, and extend to a site near Gardendale, Texas in La Salle County, Texas, where a new central delivery point – featuring 500,000 barrels of storage – is planned for construction. Phase II is expected to begin operations in the first quarter of 2013.

<http://phx.corporate-ir.net/phoenix.zhtml?c=80547&p=irol-newsArticle&id=1558356&highlight=>

Petrobras Expects to Produce 613,000 b/d of Oil in Santos Basin, Offshore Brazil in 2015, More than 1 Million b/d in 2017

http://www.rigzone.com/news/article.asp?a_id=106684

Natural Gas

Citing Leak, ONEOK Declares Force Majeure along 750,000 Dth/d, 36-Inch, 143-Mile, Illinois-to-Wisconsin Guardian Natural Gas Pipeline May 3

Citing a "minor" leak, ONEOK Partners isolated a segment of the line and declared force majeure, the company said in an online posting. The leak occurred between mainline valves 13 and 14; the company said it was "posting zero (0) capacity flowing north of mainline valve 13."

<http://www.gpl.oneokpartners.com/WEBIPReports/NoticeDescription.aspx?seqNum=488>

<http://www.gpl.oneokpartners.com/?nmi=2>

Williams Partners Completes 598,500 Dth/d of Expansions along Southeast U.S. Portion of Transco Natural Gas Pipeline May 1

Williams Partners L.P. placed into service on May 1 two expansions along its Transco natural gas pipeline, adding a combined 598,500 Dth/d of firm transportation capacity to serve markets in the southeastern United States. The first project – the Mobile Bay South II expansion project – created an additional 380,000 Dth/d of southbound firm transportation capacity on the Mobile Bay Lateral from Transco’s mainline at Station 85 near Butler, Alabama, to its interconnect with Gulfstream Natural Gas System in Coden, Alabama. The second expansion – the second phase of the company’s 85 North expansion project – increased the Transco pipeline’s capacity by an additional 218,500 Dth/d to serve electric power generating facilities in North Carolina. The Transco pipeline is a 10,000-mile pipeline system that transports up to 9 Bcf/d of natural gas to markets throughout the northeastern and southeastern United States.

<http://www.b2i.us/profiles/investor/ResLibraryView.asp?BzID=1296&ResLibraryID=44927&G=345>

ONEOK Partners Plans 193,000 b/d, Oklahoma-to-Texas NGL Pipeline, New 75,000 b/d NGL Fractionator in Mont Belvieu, Texas

ONEOK Partners, L.P. plans to invest approximately \$910 million to \$1.2 billion between now and late 2013 in order to:

- Construct a 193,000 b/d, 16-inch, 570-plus-mile natural gas liquids (NGL) pipeline, dubbed the Sterling III Pipeline, to transport either unfractionated NGLs or NGL purity products from the partnership's NGL infrastructure at Medford, Oklahoma, to its storage and fractionation facilities in Mont Belvieu, Texas. The company expects to break ground in early 2013 and complete the project in late 2013. With additional pump stations, the line's capacity could be expanded to 250,000 b/d.
- Reconfigure the existing Sterling I and II pipelines – which currently distribute NGL purity products between the Mid-Continent and Gulf Coast NGL market centers – to transport either unfractionated NGLs or NGL purity products.
- Construct a 75,000 b/d NGL fractionator, known as MB-2, in Mont Belvieu, Texas. The fractionator's capacity could be expanded to 125,000 b/d. The company expects to break ground in 2011 and complete the project in mid-2013.

<http://ir.oneokpartners.com/phoenix.zhtml?c=104562&p=irol-newsArticle&ID=1558101&highlight=>

Other News

Update: After Fatal 2010 Explosion, Massey Energy Seeks to Seal 1.2 Million Tons/Year Upper Big Branch Coal Mine in West Virginia

Massey Energy has filed a plan to seal “the entire” Upper Big Branch coal mine in West Virginia, a spokeswoman with the federal Mine Safety and Health Administration (MSHA) said on April 29. An explosion at the mine killed 29 miners in April 2010.

<http://www.newson6.com/story/14543508/massey-moves-to-seal-wva-coal-mine-where-29-died>

Energy Prices

U.S. Oil and Gas Prices			
May 3, 2011			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	111.29	111.37	86.93
NATURAL GAS Henry Hub \$/Million Btu	4.60	4.37	3.94

Source: Reuters

Energy Notes

After Windstorm, Horizon Utilities Restores Power to Most Customers in Niagara Region, Canada by May 2 – Storm Knocked Out Electricity to about 33,000 Customers April 28

<http://www.stcatharinesstandard.ca/ArticleDisplay.aspx?e=3104597>

Storms Knock Out Power to More than 17,000 SaskPower Customers in Saskatchewan, Canada over Weekend – Company Restores Power to Most by May 2

<http://www.leaderpost.com/Outages+continue+calves+lost/4715839/story.html>

PG&E to Replace 1,600 SmartMeters with “Rare Defect” in California – Defect Causes Meters to Leave Customers with Higher Electric Bills

http://www.contracostatimes.com/business/ci_17975858?source=rss&nclink_check=1

Citing Security Deficiencies, NRC to Increase Oversight at PPL's Susquehanna Nuclear Power Plant in Pennsylvania by April 29 – Agency Says Deficiencies Were Corrected

<http://www.timesleader.com/news/Nuclear-plant-deficient-in-security.html>

NPPD Discovers Problem with Emergency Backup Generator during Equipment Testing at Cooper Nuclear Power Plant in Nebraska – Repairs to Cost \$5 Million

<http://www.timesunion.com/default/article/Equipment-problem-at-Neb-Nuclear-plant-proves-costly-1360972.php>

Constellation Energy to Open Newly-Purchased, Proposed 30 MW Solar Power Project in Sacramento, California by End of 2011

<http://www.bizjournals.com/baltimore/news/2011/05/02/constellation-buys-sacramento-solar.html?ana=yfcp>

Slop Oil Spill Leads to Emission Event at ExxonMobil's 567,000 b/d Baytown, Texas Refinery May 2 – Company Sees No Impact on Production

<http://www11.tceq.state.tx.us/oce/eeer/index.cfm?fuseaction=main.getDetails&target=154039>

Rebel Attack Forces Shut 80,000 b/d, 480-Mile Cano Limon-Covenas Oil Pipeline in Colombia by May 1 – State-Owned Ecopetrol Says Incident Did Not Disrupt Oil Exports

<http://www.chinapost.com.tw/international/americas/2011/05/03/300885/Colombian-rebels.htm>

Update: JX Nippon Oil & Energy Corp Resumes Oil Delivers at Half-Capacity at Earthquake-and-Tsunami-Downed Sendai Oil Refinery in Japan May 3 – Company Not Expected to Restart Refining Operations until about Summer 2012

<http://e.nikkei.com/e/fr/tnks/Nni20110503D03JFA01.htm>

Statoil Plans to Begin Production in First Quarter of 2013 at Katla Oil-and-Gas Discovery in Norwegian North Sea – Fields Contains Estimated 45 Million Boe of Recoverable Reserves

http://www.rigzone.com/news/article.asp?a_id=106703

Natural Gas Leak Prompts Evacuation from Olympic College in Bremerton, Washington by April 30

<http://www.kirotv.com/news/27724433/detail.html>

Matheson Tri-Gas Inc. Plans to Launch Natural gas Plant in Eastern Lakeland, Florida in Spring 2012 – Facility Would Process Nitrogen, Oxygen, and Argon

<http://www.theledger.com/article/20110503/NEWS/110509834/1001/BUSINESS?p=all&tc=pgall>

Global Rare Earth Prices Double over Past Four Months as Demand Outpaces Supply – Prices Increased by As Much as Four Times during 2010

<http://www.nytimes.com/2011/05/03/business/03rare.html?ref=business>

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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