



ENERGY ASSURANCE DAILY

Monday Evening, May 11, 2009

Major Developments

Update: Storms Cut Power to 317,330 Customers in U.S. Midwest May 8-11

Storms killed at least six people and knocked out power to an estimated 317,330 customers across the U.S. Midwest from May 8-11, according to multiple sources. About 80,096 customers remained in the dark, as of latest reports. Governors in Missouri, Illinois, Kentucky and West Virginia declared states of emergencies in several counties. The Southern Illinois University in Carbondale remained shut and without power today, May 11. The school has an enrollment of about 21,000 students. The following table lists peak and current outage figures, based on latest available data.

U.S. Midwest Customer Power Outages			
May 8-11, 2009			
Electric Utility	State	Peak	Latest Reported
Empire District Electric	MO/OK/KS	83,000	9,700
Missouri Electric Cooperatives	MO	70,000	13,600
Ameren	MO	12,800	1,312
Missouri Public Utilities Alliance	MO	8,000	0
Ameren	IL	68,330	34,908
Illinois Electric Cooperatives	IL	25,000	16,300
City Utilities	IL	8,000	3,500
Westar Energy	KS	21,000	234
Heartland Electric Cooperative	KS	5,500	242
Kentucky Utilities	KY	9,200	300
Oklahoma Gas & Electric	OK	6,500	0
TOTAL*		317,330	80,096

*Total outages only represent electric utilities listed in this table.

Sources:

Missouri Electric Cooperatives, Missouri Public Utilities Alliance:

<http://sema.dps.mo.gov/SitReps/Situation%20Reports.htm>

Empire District Electric: <https://www.empiredistrict.com/News/NewsReleases.aspx>

Ameren Missouri: http://www.ameren.com/Outage/ADC_MissouriOutageInformation.asp

Ameren Illinois: http://www.ameren.com/Outage/ADC_IllinoisOutageInformation.asp

Illinois Electric Cooperatives:

<http://www.aiec.coop/>

<http://www.eeca.coop/Storm%202009.html>

http://www.southernillinoisan.com/articles/2009/05/09/front_page/doc4a062e05e4a06413714914.txt

<http://www.southernillinoisan.com/articles/2009/05/10/local/doc4a076929e84cb130404737.txt>

Southern Illinois University in Carbondale:

<http://www.wqad.com/news/sns-ap-il--severestorms-illinois.0.3384081.story>

<http://www.siuc.edu/>

City Utilities:

<http://www.cityutilities.net/newsroom/news05.htm>

<http://www.news-leader.com/article/2009905090358>

Westar Energy:

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

<http://www.istockanalyst.com/article/viewiStockNews/articleid/3225350>

Heartland Electric Cooperative:

<http://www.heartland-rec.com/>

http://www.tulsaworld.com/news/article.aspx?subjectid=11&articleid=20090509_11_0_PICHER388636

Kentucky Utilities:

http://www.richmondregister.com/homepage/local_story_129232032.html?keyword=leadpicturestory

Oklahoma Gas & Electric:

http://public.oge.com/systemwatch/graphs/History_Graph.asp

<http://www.wqad.com/news/sns-ap-il--severestorms-illinois.0.3384081.story>

http://www.joplinglobe.com/local/local_story_131081357.html

http://www.chicagotribune.com/news/nationworld/chi-storms_sub_shdmay10.0.3948775.story

Electricity

Thunderstorms Knock Out Power to Nearly 50,000 Customers in North Carolina May 9-10

Storms cut power to 28,000 Progress Energy customers and 30,000 Duke Energy customers in North Carolina on May 9, according to a news source. Only scattered outages remained, as of latest reports.

<http://www.timesoftheinternet.com/72723.html>

<http://www.newsobserver.com/news/story/1521337.html>

<http://www.progress-energy.com/shared/outages/car/default.aspx>

<http://www.duke-energy.com/outages/stats/>

Storms Knock Out Power to 25,000 Dominion Virginia Power Customers in Virginia May 9-10

Fewer than 300 customers remained without power, as of May 11.

<http://www.wric.com/Global/story.asp?S=10335481>

http://www.dom.com/news/outage_sos.jsp

Equipment Failure Forces Curtailment at 898 MW Rio Nogales Gas-fired Power Facility in Texas by May 9

A valve seal failed during a steam turbine shutdown, forcing operators to reduce output at the 898 MW Rio Nogales Power Project, according to a filing with state regulators. The filing did not specify the quantity of the reductions, or say when the units would return to full service.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=124013>

TMPA's 454 MW Gibbons Creek Coal-fired Unit 1 in Texas Shuts May 10

The unit shut due to a flame failure on May 10, the Texas Municipal Power Agency (TMPA) said in a filing with state regulators. The filing did not say when the unit would return to service

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=124029>

AES's 336 MW Alamitos Gas-fired Unit 4 in California Shut by May 9

According to the California Independent System Operator, the unit experienced an unplanned outage by May 9.

<http://www.caiso.com/unitstatus/data/unitstatus200905091515.html>

Update: Luminant's 1,150 MW Comanche Peak Nuke Unit 1 in Texas at Full Power by May 10

The Electric Reliability Council of Texas (ERCOT) asked Luminant to reduce the unit after an April 30 storm downed two transmission lines. ERCOT said the curtailment would prevent further congestion. The Nuclear Regulatory Commission reported that on the morning of May 9 the unit was operating at 76 percent.

<http://www.star-telegram.com/business/story/1364915.html>

Information also derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2009/>

Update: TVA's 1,125 MW Sequoyah Nuke Unit 1 in Tennessee Ramped Up to Full Power by May 11

Operators took the unit offline on May 6 due to a valve malfunction. The Nuclear Regulatory Commission reported that on the morning of May 9 the unit was operating at 38 percent.

Reuters, 08:07 May 11, 2009

Information also derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2009/>

SCE's 1,070 MW San Onofre Nuke Unit 2 in California at Full Power by May 11

The Nuclear Regulatory Commission reported that on the morning of May 10 the unit was operating at 85 percent. Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2009/>

NMC's 522 MW Prairie Island Nuke Unit 2 in Minnesota at Full Power by May 11

The Nuclear Regulatory Commission reported that on the morning of May 10 the unit was operating at 53 percent. Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2009/>

Cabrillo Power's 104 MW Encina Gas-fired Unit 2 in California Returns to Service by May 10

According to the California Independent System Operator, the unit returned from an unplanned outage by May 10.

<http://www.caiso.com/unitstatus/data/unitstatus200905101515.html>

Energy Northwest Cancels Plans for 680 MW Coal/Petcoke Gasification Power Plant in Washington

Energy Northwest filed with state regulators to cancel its permit application for a 680 MW coal/petcoke gasification power plant at the Port of Kalama in Washington, a news source said. The state's Energy Facility Site Evaluation Council ordered the company in 2008 to alter its original plans, citing environmental concerns. Energy Northwest, however, said it could not cost-effectively resolve the problem.

http://www.tdn.com/articles/2009/05/06/area_news/doc4a02285f6f344415975451.txt

DTE Energy Breaks Ground on Radioactive Storage Facility at 1,217 MW Fermi Nuke Unit 2 in Michigan by May 8

DTE Energy has begun construction on an outside storage area for highly radioactive fuel at its 1,217 MW Fermi power plant in Michigan, according to a news source. The company expects to receive the first of 12 casks later in 2009, and begin loading fuel assemblies in 2010.

<http://www.monroenews.com/article/20090508/NEWS01/705089980>

Green Wave Energy Solutions Plans 100 MW Green Wave San Luis Obispo Power Project Offshore California

Green Wave Energy Solutions received preliminary approval from the U.S. Federal Energy Regulatory Commission (FERC) for its 100 MW Green Wave San Luis Obispo power project offshore California, a news source said.

<http://www.platts.com/Electric%20Power/News/6305505.xml?p=Electric%20Power/News&sub=Electric%20Power>

Petroleum

FCC Malfunction at Exxon Mobil's 503,000 b/d Baton Rouge, Louisiana Refinery May 7

A gasoline-making fluid catalytic cracking unit (FCC) failed and shut on May 7 at Exxon Mobil's Baton Rouge, Louisiana refinery, sources familiar with the facility's operations said. Operators had been returning the unit to service after an earlier, unplanned shutdown, the sources said.

Reuters, 21:11 May 10, 2009

BP Reports Process Upset at 467,720 b/d Texas City, Texas Refinery May 8-9

Heater issues triggered an ultraformer upset at BP's 467,720 b/d Texas City, Texas refinery from May 8-9, the company said in a filing with state regulators. The incident resulted in flaring. Operators expected to restart the unit from May 9 through May 14, according to a separate filing. The company did not say whether the disruption had affected production.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=124010>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=124007>

Reuters, 09:23 May 11, 2009

Unit Malfunction Triggers Brief Evacuation at BP's 410,000 b/d Whiting, Indiana Refinery May 8

BP briefly evacuated its employees after a unit malfunction at its 410,000 b/d Whiting, Indiana refinery on May 8, according to a source familiar with the facility's operations. The evacuation lasted just 45 minutes, and was performed out of "an abundance of caution," the source said. Operators were performing planned work on two units—a gasoline-making fluid catalytic cracking unit (FCC) and a crude unit—at the time of the incident. The snag occurred on an adjacent unit.

Reuters, 15:03 May 8, 2009

Power Outage Slows Shell's 329,800 b/d Deer Park, Texas Refinery by May 11

A power outage forced shut a Calpine-owned steam plant and slowed production at Shell's associated Deer Park, Texas refinery, a Shell spokeswoman said May 11. The steam plant—which supplies the Deer Park facility—remained offline, as of latest reports. Shell did not expect its refinery to resume normal rates for several days, according to the spokeswoman

DJN, 11:34 May 11, 2009

Reuters, 11:19 May 11, 2009

Bloomberg News, 11:28 May 11, 2009

Frontier Ramping Up 130,000 b/d El Dorado, Kansas Refinery after May 8 Power Outage

Frontier expected to resume normal rates on May 11 at its 130,000 b/d El Dorado, Kansas refinery, three days after a storm-related power outage slowed rates at the facility, the company said. Sources did not indicate the extent of the disruption.

Reuters, 11:15 May 11, 2009

Bloomberg News, 09:45 May 11, 2009

LyondellBasell Restarts Depropanizer Tower at 270,600 b/d Houston, Texas Refinery Beginning May 8

LyondellBasell restarted a depropanizer tower in a gasoline-making fluid catalytic cracking (FCC) unit at its 270,600 b/d Houston, Texas refinery, the company said in a filing with state regulators

<http://www.reuters.com/article/rbssIndustryMaterialsUtilitiesNews/idUSN1049721520090510>

Reuters, 19:05 May 10, 2009

ConocoPhillips Plans Restart FCC Restart at 247,000 b/d Sweeny, Texas Refinery May 9-11

ConocoPhillips planned to restart a gasoline-producing fluid catalytic cracking (FCC) unit from May 9-11 at its 247,000 b/d Sweeny, Texas refinery, the company said in a filing with state regulators. The unit had been offline for maintenance, according to a news source

<http://www.reuters.com/article/rbssEnergyNews/idUSN1152244120090511>

<http://www1.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=123552>

Bloomberg News, 14:56 May 9, 2009

Update: Valero Restarting 18,000 b/d Hydrocracker at 182,200 b/d Delaware City, Delaware Refinery May 11

Valero began restarting the unit by May 11, but did not expect it to resume normal service for several days, a spokesman said. The company shut the entire Delaware City refinery for maintenance in March. Operators have already restarted a crude unit and a fluid catalytic cracker.

Reuters, 12:13 May 11, 2009

Update: Shell Returns 145,000 b/d Anacortes, Washington Refinery to Full Rates, Lifts Force Majeure by May 8

Shell returned its 145,000 b/d Anacortes, Washington refinery to full rates by May 8, about two weeks after a power failure forced offline the facility, it said in a statement. The company also lifted its force majeure declaration, in effect since April 23.

Reuters, 14:51 May 8, 2009

Bloomberg News, 01:36 May 11, 2009

Update: After November 2008 Explosion, Delek Restarts Most Major Units at 60,000 b/d Tyler, Texas Refinery by May 9—Industry Source

Delek restarted and returned to normal service most major units at its 60,000 b/d Tyler, Texas refinery, an industry source said. The facility shut on November 20, 2008 due to a fatal explosion. Operators had planned to re-open the refinery on or prior to April 21, but were unable to restart a gasoline-producing fluid catalytic cracking (FCC) unit. Polymerupdate, 00:12, May 9, 2009

Unplanned Shutdown along Buckeye Oil Products Pipeline in U.S. Midwest over Weekend

The Buckeye oil products pipeline shut for unscheduled reasons over the weekend, delaying scheduled deliveries to Michigan and Ohio, the company said in a May 11 bulletin. The shutdown lasted for 33 hours, according to the bulletin.

Reuters, 10:56 May 11, 2009

Irving Restarts FCC at 300,000 b/d Saint John, New Brunswick Refinery by May 11

Irving began restarting a gasoline-producing fluid catalytic cracking (FCC) unit at its 300,000 b/d Saint John, New Brunswick refinery by May 11, the company said. Operators shut the unit on May 6 for unscheduled repairs, according to a news source

<http://online.wsj.com/article/BT-CO-20090511-707857.html>

Reuters, 09:40 May 11, 2009

Bloomberg News, 17:41 May 8, 2009

Mexican Official Says Offshore Tamil Oil Complex Could Produce as Much as 250,000 b/d of Oil

The Tamil discovery in the Gulf of Mexico could ultimately yield up to 250,000 b/d of oil, according to a senior Pemex official. The Tamil complex consists of four fields and holds an estimated 300-400 million barrels of heavy crude oil, the official said.

Reuters, 16:59, May 8, 2009

Chevron, Shell and Marathon Eye 2011 Start Date for 100,000 b/d Expansion at 155,000 b/d Athabasca Oil Sands Project in Alberta, Canada

Chevron and Shell expect to open a 100,000 b/d expansion at the Athabasca Oil Sands Project in 2011, slightly later than previously planned, a Chevron official said. Shell has a 60 percent stake in the project. Chevron and Marathon own 20 percent each.

http://www.rigzone.com/news/article.asp?hpf=1&a_id=75932

Eni Plans 100,000 b/d Goliat Oilfield in Barents Sea Offshore Norway

Eni received Norwegian approval to develop the 100,000 b/d Goliat oilfield in the Barents Sea, a news source reported. The company expects to begin production in 2013. The field holds estimated crude reserves of 174 million barrels, and could produce oil for up to 15 years.

http://www.rigzone.com/news/article.asp?a_id=75931

Kurdistan to Start-up 100,000 b/d of Oil Production in June 2009

The Kurdistan Regional Government (KRG) plans to begin production in June 2009 at the Tawke and Taq Taq fields, the KRG Ministry of Natural Resources announced by May 8. The KRG expects to initially produce 60,000 b/d at Tawke and 40,000 b/d at Taq Taq. Pending a new pipeline and upgrades to an existing line, it plans to raise the fields' combined output to 250,000 b/d.

http://www.rigzone.com/news/article.asp?a_id=75924

Natural Gas

Update: After September 2008 Explosion, Williams Gas Returns Natural Gas Pipeline to Full Service in Virginia May 7

Williams Gas received federal approval to return its "C" natural gas pipeline to full service on May 7, nearly eight months after an explosion along the associated "B" line in Virginia, a news source reported. The "B" line exploded and shut on September 14, 2008, in Appomattox, Virginia, forcing offline the adjacent "A" and "C" lines. All three lines are part of the Gulf of Mexico-to-New York Transco natural gas pipeline system. Williams restored pressure to the "A" line in November 2008 and to the "B" line in December 2008, but pressure had remained reduced along the "C" line.

http://www.newsadvance.com/lna/news/local/article/last_appomattox_pipeline_pumping_at_full_pressure/15789/

MarkWest Liberty Begins Production at 30 MMcf/d Cryogenic Processing Plant in Pennsylvania

MarkWest Liberty Midstream & Resources began production in April 2009 at its 30 million cubic feet per day (MMcf/d) cryogenic processing facility in Washington County, Pennsylvania, the company announced by May 9. The company expects to install 20 MMcf/d of new refrigeration capacity by the end of September 2009, and a 120 MMcf/d cryogenic processing plant by early 2010.

http://www.downstreamtoday.com/news/article.aspx?a_id=16303

Other News

Gas Station Owners Fear Customer Backlash, Compliance Issues as EPA Considers Proposal to Boost Ethanol Content in Gasoline

As the Environmental Protection Agency (EPA) considers a proposal to increase the ethanol content of U.S. gasoline, gas station operators say such an increase would pose serious legal and economic risks. Ethanol producers have pressured the EPA to raise the rate of ethanol in gasoline from 10 percent to 15 percent. Station owners, however, say that the shift could cause a backlash of customer lawsuits, as drivers may claim the new fuel causes damage to their cars. The Underwriters Laboratories (UL) has approved the distribution of E10 gasoline, but says that it will not certify stations to sell E15. The UL says existing pumps could safely deliver E15, but due to slight variations in gas/ethanol mixtures, E15 gasoline could actually contain 16 percent ethanol. The UL says it is unable, for that reason, to certify E15.

http://www.nytimes.com/2009/05/10/automobiles/10PUMP.html?_r=1&emc=tnt&tntemail1=y

<http://www.nytimes.com/2009/05/10/automobiles/10ETHANOL.html?emc=tnt&tntemail1=y>

Update: Louis Dreyfus Commodities Begins Production at 100 MMGal/Yr. Ethanol Plant near Grand Junction, Iowa by May 7

<http://domesticfuel.com/2009/05/07/ethanol-production-begins-at-plant-in-iowa/>

Energy Prices

U.S. Oil and Gas Prices			
May 11, 2009			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	57.79	53.68	124.74
\$/Barrel			
NATURAL GAS			
Henry Hub	4.16	3.30	11.33
\$/Million Btu			

Source: Reuters

Raccoon Causes Small Substation Explosion, Cuts Power Briefly to 10,000 National Grid Customers in New York May 9-10

http://www.9wsyr.com/content/news/breakingnews/Power-back-on-in-Onondaga-County/Yu0dIN-A20-Y9mnvZR_T3Q.csp

Rentech Plans 35 MW Rialto Renewable Energy Center in California – To Use Biomass as Feedstock to Produce Synthetic Gas to Power Plant

<http://www.greencarcongress.com/2009/05/rentech-rialto-20090511.html>

SCE Presents Plan to Improve Safety at 2,254 MW San Onofre Nuclear Power Plant in California

<http://www.ocregister.com/articles/nrc-plant-nuclear-2398747-performance-problems>

Power Disruption Forces Shut Tailgas Treater Unit at Valero’s 142,000 b/d Corpus Christi, Texas Refinery by May 8

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=124004>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=124018>

Tesoro Starts up Hydrogen Unit at 97,000 b/d Wilmington, California Refinery by May 11

Bloomberg News, 12:03 May 11, 2009

Instrument Failure Causes Gasoline Spill at Sunoco Logistics’ Twin Oaks Pump Station near 178,000 b/d Marcus Hook, Pennsylvania Refinery May 8-9

Reuters, 11:38 May 11, 2009

Sinclair Oil Spills “Thousands of Barrels” of a “Gasoline-Grade Material” at 66,000 b/d Sinclair, Wyoming Refinery—State Department of Environmental Quality

Reuters, 09:51 May 11, 2009

Tesoro Reports Oil Leak at 166,000 b/d Golden Eagle Refinery in Martinez, California May 9

Bloomberg 11:52 May 10, 2009

About 1,700 Barrels of Oil Leaks from Kinder Morgan Tank Farm in British Columbia, Canada May 7—Spill Contained as Oil Fails to Reach Nearby Burrard Inlet

http://www.tankstoragemag.com/industry_news.php?item_id=816

High Temperatures, Low Wind Cause Unit Shutdowns at Blalock Booster Station in Texas May 9

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=124003>

Power Outage Shuts Compressor Engines, Triggers Flaring at Crane Booster Station in Texas May 8-9

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=124006>

Leak Shuts AGI Compressor at Waha Gas Plant in Texas May 8

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=123992>

Update: Exxon Mobil Starts Drilling at Point Thomson O&G Field in Alaska May 8

http://www.google.com/hostednews/ap/article/ALeqM5g_hBfIMU7cl4b-bd2cr1Lek963SwD983BGFG0

Update: Rain Postpones Final Construction Stages along Planned, Rockies-to-U.S. Midwest, 1,679-mile Rockies Express Natural Gas Pipeline

<http://www.tradingmarkets.com/site/news/Stock%20News/2318755/>

FERC Approves Transco Plan to Boost Capacity along Mobile Bay Natural Gas Lateral in Florida and Alabama

<http://intelligencepress.com/>

Venezuela Seizes Williams-owned Gas Injection Operations in Western Portion of Country

<http://www.stuff.co.nz/world/2398374/Venezuela-seizes-major-oil-service-project>

Iraq Says it Will Allow Kurdish Government to Export Oil in June 2009

<http://online.wsj.com/article/SB124198892778904525.html>

Venezuela's Chavez Says Nation Will be Able to Export 3 Million b/d of Oil to China "in a Few Years"—Country Shipped 380,000 b/d in 2008, Chavez Says

<http://www.google.com/hostednews/afp/article/ALeqM5hD6DMAC5qRiMbH3TIRgFgBSCpisg>

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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