



# ENERGY ASSURANCE DAILY

Wednesday Evening, June 01, 2011

## **Electricity**

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### **Pepco Reports Scattered Outages Affecting Government Agencies and Others in the District of Columbia and Maryland May 31 - June 1**

The outages forced the Federal Energy Regulatory Commission (FERC) headquarters and the U.S. Equal Employment Opportunity Commission to close, as well as various D.C. government agencies, schools, and media organizations. FERC said that all of its systems went down late May 31 due to the power outage. Pepco is currently reporting 1,996 customers without power in the District and its Maryland suburbs, down from a peak of 4,500 overnight. Pepco has said that it does not know the cause of the outages, but that at least two underground cables were damaged on May 31 and require repairs. The area is currently experiencing unseasonably high temperatures.

<http://www.bizjournals.com/washington/news/2011/06/01/pepco-struggles-with-outages-in-the-heat.html>

<http://www.abc27.com/Global/story.asp?S=14774985>

[http://www.washingtonpost.com/blogs/post\\_now/post/electricity-regulator-out-of-electricity/2011/05/31/AGZ5YvFH\\_blog.html](http://www.washingtonpost.com/blogs/post_now/post/electricity-regulator-out-of-electricity/2011/05/31/AGZ5YvFH_blog.html)

[http://www.mediabistro.com/fishbowl/dc/pepco-fail-blackout-at-cq-roll-call\\_b40740](http://www.mediabistro.com/fishbowl/dc/pepco-fail-blackout-at-cq-roll-call_b40740)

### **Update: Continued Storms Cause New Outages in Wisconsin and Michigan while Midwest Utilities Restore Power to Customers May 31 to June 1**

A peak of 12,000 Wisconsin Public Service (WPS) customers lost power as high winds knocked trees onto power lines in Wisconsin by June 1. As of latest reports, 9,368 WPS customers were without power across the company's service territory. Consumers Energy reported that 9,500 Michigan customers lost power overnight as new storms and one tornado swept through the state. Combined with lingering outages from Sunday's storms, Consumers Energy reported that 23,000 of its customers are currently in the dark. According to the company, a total of 138,000 customers were without power at some point due to the storms. Other impacted utilities in the region reported only scattered outages.

Wisconsin Public Service: <http://www.wfrv.com/news/local/Winds-knock-out-power-to-12000-WPS-customers--122943458.html>

<http://www.wisconsinpublicservice.com/outagesummary/view/outagegrid.aspx>

Consumers Energy: <http://www.consumersenergy.com/News.aspx?id=4683&year=2011>

<http://www.9and10news.com/Category/Story/?id=292697&cID=2>

[http://www.mlive.com/news/bay-city/index.ssf/2011/06/approximately\\_25000\\_consumers.html](http://www.mlive.com/news/bay-city/index.ssf/2011/06/approximately_25000_consumers.html)

### **Rocky Mountain Power Reports 200,000 Residents Lose Power for Four Minutes in Southern Utah May 31**

The company reported 200,000 residents lost power from 9:10 to 9:14 a.m. local time after a circuit breaker tripped at the PacifiCrop transmission station in Sigurd, near Richfield. It is not known what caused the problem. The main power line that delivers redundant power to the area from Las Vegas, Nevada has been shut since May 23 for planned work.

<http://www.thespectrum.com/article/20110601/NEWS01/106010313/Power-outage-hits-Southern-Utah>

### **Update: TVA's 1,118 MW Browns Ferry Nuclear Unit 3 in Alabama Ramped Up to 20 Percent by June 1**

All three units at the Tennessee Valley Authority (TVA) plant were shut on April 27 after losing outside power due to thunderstorms and tornadoes throughout the U.S. Units 1 and 2 have already restarted. The Nuclear Regulatory Commission reported that on the morning of May 31 the unit was not operating.

Information derived from the NRC Power Reactor Status Reports:

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

## **Update: TVA's 1,125 MW Watts Bar Nuclear Unit 1 in Tennessee Ramped Up to 45 Percent by June 1**

According to a spokesman for the Nuclear Regulatory Commission (NRC), the “reactor tripped due to a trip [malfunction] signal from the turbine or non-nuclear side of the plant.” A TVA spokesman said that a malfunctioning circuit card on a new computer system was to blame. The Nuclear Regulatory Commission reported that on the morning of May 31 the unit was operating at 25 percent.

<http://www.utilityproducts.com/news/2011/06/1428367689/circuit-card-shuts-down-watts-bar.html>

Information also derived from the NRC Power Reactor Status Reports:

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

## **Bruce Power Shuts 750 MW Bruce Nuclear Unit 3 in Ontario May 28**

Reuters, 19:26 May 31, 2011

## **Update: Progress Energy Begins Operations at 600 MW Combined-Cycle Power Block 5 at the Richmond County Energy Complex in Richmond County, North Carolina June 1**

The unit will primarily be fueled by natural gas, though it can also run on fuel oil. As part of the project, Progress Energy also built a new 64-mile, 230 kV transmission line to deliver electricity to its customers.

<https://www.progress-energy.com/company/media-room/news-archive/press-release.page?title=Progress+Energy+begins+operation+of+new+power+plant+in+Richmond+County+&pubdate=06-01-2011>

## **Update: TVA Continues Restoration Work Following April Storms and Tornadoes**

As of May 27, the Tennessee Valley Authority (TVA) reported only six transmission lines (two 500 kV lines and four 161 kV lines) remain out of service, down from a peak of 108 lines after storms and tornadoes tore through TVA's service area April 25-27. TVA has also repaired or replaced 303 transmission structures, out of a total 353 requiring either repairs or replacement. TVA further reported that adequate power supply is expected to be available to meet forecasted loads.

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

## ***Petroleum***

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## **Update: Forest Fires Push Canadian Natural Resources to Delay Restart of Horizon Oil Sands Project in Alberta May 31**

According to the company, the project's start-up has been pushed back by one month. Canadian Natural now plans to commission all four coker drums at the upgrading unit in the first week of August, rather than at the end of June. The facility should be at full capacity two to three weeks later. The facility was damaged by a fire on January 6.

<http://uk.reuters.com/article/2011/05/31/canadiannatural-horizon-idUKN3110862820110531?feedType=RSS&feedName=rbsFinancialServicesAndRealEstateNews>

## **Update: Enbridge Has Restarted Most Oil Pipelines Impacted by Weekend Storms in the U.S. Upper Midwest**

Reuters has provided updates on the status of each of the following Enbridge oil lines:

- The 290,000 b/d, Sarnia, Ontario-to-Griffith, Indiana Line 6B has been restarted after power was restored to three offline pump stations.
- Lines 6A, 4, and 67, which collectively bring crude from Alberta to Griffith, Indiana via Superior, Wisconsin, all resumed normal operations on May 31.
- The Stockbridge, Michigan-to-Toledo, Ohio Line 17 is still undergoing inspections. It is due to come back online later today.

[http://news.yahoo.com/s/nm/20110601/wl\\_canada\\_nm/canada\\_us\\_enbridge\\_outages](http://news.yahoo.com/s/nm/20110601/wl_canada_nm/canada_us_enbridge_outages)

## **Shell Restarting Multiple Units at 327,000 b/d Deer Park, Texas Refinery after Sudden Loss of Steam Supply Causes Unit Upsets June 1**

According to a company spokesman, Shell lost external steam supply at the refinery early today, causing “upsets” and “significant flaring.” According to company filings with state regulators, the company restarted numerous units, including the hydrotreater 2 unit, as well as the “SHCU, HP1, HVI, CGHT, DHT, Plat 2 and Alky units.”

Reuters, 10:48 June 1, 2011

Reuters, 13:25 June 1, 2011

Reuters, 13:36 June 1, 2011

<http://af.reuters.com/article/energyOilNews/idAFN0117332720110601>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=155128>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=155130>

## **Canada’s Proved Oil and Liquids Reserves Rose 6.6 Percent to 22 Billion Barrels in 2010: Daily Oil Bulletin**

According to Daily Oil Bulletin, 77 percent of booked reserves came from oil sands in Alberta.

<http://www.mining.com/2011/05/31/canadian-companies-dominate-global-oil-and-liquid-reserves-rankings/#>

## **Operators Report Gasoil Hydrotreater Upset at Valero’s 80,887 b/d Wilmington, California Refinery June 1**

The upset caused flaring for about 20 minutes, but did not cause any material impact on production. The incident was caused by mechanical issues.

Reuters, 04:48 June 1, 2011

[http://www.nasdaq.com/asp/stock-market-news-](http://www.nasdaq.com/asp/stock-market-news-story.aspx?storyid=201106011034dowjonesdjonline000400&title=valerowilmington-refinery-upset-was-at-gasoil-hydrotreater)

[story.aspx?storyid=201106011034dowjonesdjonline000400&title=valerowilmington-refinery-upset-was-at-gasoil-hydrotreater](http://www.nasdaq.com/asp/stock-market-news-story.aspx?storyid=201106011034dowjonesdjonline000400&title=valerowilmington-refinery-upset-was-at-gasoil-hydrotreater)

## **Update: Trade Sources Say Two Additional Cargoes of Forties Crude Oil from U.K. North Sea Delayed Due to Reduced Output May 31**

A total of ten cargoes have been deferred in June, and an additional four cargoes have been dropped from the June program, affecting 8 million barrels of crude oil supplies. Nexen’s Buzzard field is only producing 80,000 b/d currently, reducing supply of crude along the BP-operated Forties pipeline. Nexen plans to return production to a full 200,000 b/d in late July.

Reuters, 12:58 May 31, 2011

## **Update: Valero’s 214,000 b/d Texas City, Texas Refinery Approaching Planned Rates June 1 Following Last Week’s Power Outage**

The refinery lost power in a city-wide power outage on May 27. All production units were restarted by May 31.

Reuters, 10:13 June 1, 2011

## **Natural Gas**

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Nothing to report.

## **Other News**

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### **Energkem Building Multiple Waste-to-Ethanol Plants in U.S. and Canada**

The company is currently starting up a 1.3 MMGal/Yr. plant near Sherbrooke, Quebec. Energkem is also building a 10 MMGal/Yr. plant in Edmonton, Alberta, designed to be the twin of a 10 MMGal/Yr. plant the company plans to build near Tupelo, Mississippi. The twin plants would each be fueled by 100,000 tons of garbage each year.

<http://green.blogs.nytimes.com/2011/06/01/garbage-to-energy-venture-gains-momentum/>

## Energy Prices

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U.S. Oil and Gas Prices			
June 1, 2011			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	100.19	100.78	74.10
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	4.62	4.37	4.31

Source: Reuters

## Energy Notes

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**National Grid Reports 12,279 Rhode Island Customers Lose Power May 31 – All Restored by June 1**

<http://www1.nationalgridus.com/narragansett/stormcenter/>

**Duquesne Light Transformer Fails and Catches Fire in Pittsburgh, Pennsylvania June 1**

<http://www.wpxi.com/news/28092112/detail.html>

**Update: Beacon Power Operating New Flywheel Energy Storage Unit in Stephentown, New York at 18 MW – Company to Ramp Unit Up to Full 20 MW Capacity on July 12**

<http://phx.corporate-ir.net/phoenix.zhtml?c=123367&p=irol-newsArticle&ID=1569408>

**Federal Inspectors Say Wolf Creek Nuclear's 1,165 MW Wolf Creek Nuclear Unit in Kansas Vulnerable to Tornadoes – Operators Did Not Secure Equipment Needed to Fight Fires, Retrieve Fuel for Emergency Generators, and Resupply Water for Nuclear Fuel**

<http://www.npr.org/templates/story/story.php?storyId=136694610>

**U.S. Should Not Expand Minimum Evacuation Zone around Nuclear Plants from 10 Miles to 50 Miles: NRC Member**

<http://www.sfgate.com/cgi-bin/article.cgi?f=/g/a/2011/05/26/bloomberg1376-LLTHA76S972R01-6FUGMVNEONPS7D1GOP9JQ4L03S.DTL>

**Buckeye Partners' Bahamas Oil Refining Company to Build 14 Oil Storage Tanks with Total Capacity of 3.5 Million Barrels in Freeport, Grand Bahamas by Second Quarter 2012**

[http://www.downstreamtoday.com/news/article.aspx?a\\_id=26776](http://www.downstreamtoday.com/news/article.aspx?a_id=26776)

**Florida East Coast Railway Stops All Trains and Several City Blocks Evacuated after Relief Valve Issue Leads to Amerigas Gas Pipeline Leak in Boynton Beach, Florida May 26**

[http://www.palmbeachpost.com/news/gas-leak-causes-evacuation-to-north-end-of-1500754.html?cxntcid=breaking\\_news](http://www.palmbeachpost.com/news/gas-leak-causes-evacuation-to-north-end-of-1500754.html?cxntcid=breaking_news)

**Gas Pipeline Explosions Shut Eight Miles of Highway in Wilson County, Texas May 26**

<http://www.beaumontenterprise.com/news/article/Pipeline-explodes-in-Wilson-County-1397854.php>

**Pemex Sues Eleven U.S. Companies in Federal Court May 29 for Allegedly Buying \$300 Million of Condensates Stolen by Mexican Drug Gangs and Smuggled into the U.S.**

<http://www.reuters.com/article/2011/06/01/mexico-pemex-idUSN3111592620110601>

**Update: Chevron Reports Flaring at Wharton Unit Tank Battery in Texas as DCP Midstream Is Unable to Receive Gas Due to Compressor Problems May 31 to June 2**

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=155081>

**Equipment Malfunction Leads to Flaring at Delek's 58,000 b/d Tyler Refinery in Texas May 31**

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=155098>

## 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>

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