



ENERGY ASSURANCE DAILY

Monday Evening, June 11, 2012

Electricity

Severe Thunderstorms Cut Power to More Than 30,000 Xcel Energy Customers in Minnesota June 10

Severe thunderstorms and high winds cut power to a peak of more than 30,000 Xcel Energy customers in the St. Paul metropolitan area Sunday night, with most outages occurring in the Highland Park neighborhood of St. Paul. The utility had restored power to all but 1,900 affected customers as of Monday morning.

<http://www.startribune.com/local/stpaul/158418075.html>

Storms Cut Power to More Than 23,000 Gulf Power Customers in Florida over Weekend

Strong storms cut power to more than 23,000 Gulf Power customers in the Florida Panhandle this weekend, with the majority of the outages occurring in Escambia and Santa Rosa counties. The utility reported it had restored power to nearly all affected customers by this morning.

<http://www.pnj.com/article/20120611/NEWS01/120611005/Pensacola-flooding-Power-restored-to-most-Gulf-Power-customers?odyssey=tab%7Ctopnews%7Ctext%7CFRONTPAGE>

Update: Entergy's 966 MW River Bend Nuclear Unit 1 in Louisiana Restarts June 9; Ramps Up to 46 Percent by June 11

Entergy's River Bend nuclear unit is returning from an outage that began May 24, when operators manually shut down the reactor after an electrical fault occurred in a main feedwater pump.

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

Update: FirstEnergy's 1,235 MW Perry Nuclear Unit 1 in Ohio Ramped Up to 70 Percent by June 10

On the morning of June 9 the unit was operating at 57 percent.

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

Nebraska Public Power District's 764 MW Cooper Nuclear Unit in Nebraska Reduced to 70 Percent by June 11

On the morning of June 10 the unit was operating at full power.

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

Update: Cabrillo Power's 104 MW Encina Gas-Fired Unit 2 in California Returns to Service by June 10

The unit returned from an unplanned outage that began by June 1.

<http://content.caiso.com/unitstatus/data/unitstatus201206101515.html>

Update: CDU Restart Halted at Motiva's 600,000 b/d Port Arthur, Texas Refinery June 10; Unit Repairs, Shutdown Could Last 5 Months – Source

Motiva Enterprises LLC is assessing damage to the newly commissioned 325,000 b/d crude distillation unit (CDU) at its Port Arthur refinery after abandoning restart procedures this weekend, a source familiar with refinery operations told Bloomberg News. Operators shut the CDU on June 4 to repair a leaking valve. Motiva reported it restored the CDU to production on Saturday in filings with the Texas Commission on Environmental Quality (TCEQ). The source told Bloomberg News today, however, that the startup was cancelled after the unit developed leaks, cracks in pipes, and a fire in a heater. A TCEQ filing Saturday confirmed that an uncontrolled combustion occurred within the unit's furnace, resulting in emissions at the refinery.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=169481>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=169474>

<http://www.bloomberg.com/news/2012-06-11/gulf-coast-gains-as-motiva-refinery-repairs-said-to-take-months.html>

Phillips 66 to Develop Rail Capacity to Increase Shipments of Bakken and Niobrara Shale Crudes by at Least 100,000 b/d within 2 Years – CEO

Phillips 66 plans to purchase as many as 2,000 railroad tank cars within the next 2 years to ship oil from U.S. shale fields to its refineries, Chairman and CEO Greg Garland said at a recent industry conference. Garland said the company wants to develop its rail capacity to ship crude oil from the Bakken Shale and Niobrara Shale in the Central United States to points either east or west. The company currently refines about 100,000 b/d of shale crudes, but it could handle 500,000 b/d, Garland said. Phillips intends to increase delivery of shale crudes to its refineries by 100,000–150,000 b/d within 2 years using railroad unit trains. The typical unit train has 100 cars that each carry approximately 750 barrels of crude oil.

[http://www.reuters.com/article/2012/06/08/us-phillips-oil-rail-](http://www.reuters.com/article/2012/06/08/us-phillips-oil-rail-idUSBRE85713A20120608?type=smallBusinessNews&feedType=RSS&feedName=smallBusinessNews&rpc=43)

[idUSBRE85713A20120608?type=smallBusinessNews&feedType=RSS&feedName=smallBusinessNews&rpc=43](http://www.reuters.com/article/2012/06/08/us-phillips-oil-rail-idUSBRE85713A20120608?type=smallBusinessNews&feedType=RSS&feedName=smallBusinessNews&rpc=43)

Update: Service Begins at Rangeland Energy's Crude Oil Loading Terminal in North Dakota's Bakken Shale

Rangeland Energy, LLC announced today that the company's COLT facility is in service in North Dakota's Bakken Shale. The COLT terminal provides refiners, marketers, and producers with outbound service by unit train and through the COLT Connector, a 21-mile, bidirectional pipeline that links the COLT terminal with multiple existing and planned pipelines at Rangeland's Dry Fork Terminal near Tioga, North Dakota, including the Tesoro and Enbridge pipeline systems. Served by BNSF Railway Company, the COLT Hub loads unit-train shipments of crude oil bound for markets throughout North America, including crude oil receiving terminals along the Gulf Coast. The first unit train filled with crude oil departed the COLT facility on June 5. COLT's initial 720,000 barrels of working storage capacity is expected to expand as Bakken production increases. Initial rail export capacity is 120,000 b/d. In addition, the COLT Connector has the capacity to move an additional 75,000 b/d.

<http://www.rgeldenergy.com/news/service-begins-rangeland-energys-crude-oil-loading-terminal-north-dakotas-bakken-shale>

Update: Plains Midstream Canada Continues Response to Rangeland Crude Oil Pipeline Spill in Alberta

Plains Midstream Canada, a subsidiary of Plains All American Pipeline, L.P., continues activities in response to the June 7 crude oil release from the 83,000 b/d Rangeland crude oil pipeline near Sundre, Alberta, the company reported over the weekend. The spill has been contained, and the company is deploying booms to expedite its clean-up operations. The Rangeland pipeline is a system consisting of approximately 1,500 km of gathering and trunk lines carrying mostly conventional light crude oil southeast from Edmonton to Carway, Alberta, where it supplies the Glacier Pipeline system in Montana. Plains shut the pipeline when the spill was detected, but the pipeline was not flowing oil at the time of the release.

<http://finance.yahoo.com/news/plains-midstream-canada-continues-response-233300747.html>

Sunoco Restarts Isomerization Unit at Its 335,000 b/d Philadelphia, Pennsylvania Refinery June 7

Sunoco Inc. reported it restart a 331 isomerization unit on Thursday at the Girard Point section of its Philadelphia refinery, according to a notice with Philadelphia pollution regulators. Operators shut the unit on Wednesday, according to the filing.

Reuters, 16:40 June 8, 2012

FCCU Operating at Reduced Rates after Blower Malfunction at Valero's 310,000 b/d Port Arthur, Texas Refinery June 8

A fluidic catalytic cracking unit (FCCU) at Valero's Port Arthur refinery was operating at reduced rates after blowers tripped offline Friday night, according to a company spokesman. The company does not expect any material impact to production, the spokesman said. An FCCU malfunctioned and was taken out of production on Friday at the refinery, according to a notice filed with Texas Commission on Environmental Quality.

Reuters, 09:51 June 11, 2012

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=169475>

Seal Failure Causes Naphtha Spill at BP's 455,790 b/d Texas City, Texas Refinery June 9

BP Plc reported a seal failure occurred on the J6 Naphtha pump at its Texas City refinery late Saturday night, according to a filing with the Texas Commission on Environmental Quality. Approximately 20 gallons spilled onto a concrete pad. Operators closed multiple valves to stop the leak at the seal, and a vacuum truck was used to recover product. The cause of the seal failure was under investigation at the time of the filing.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=169489>

Unit Upset Leads to Flaring at ExxonMobil's 238,600 b/d Joliet, Illinois Refinery June 10

ExxonMobil Corp. reported an unspecified unit upset at its Joliet refinery led to flaring Sunday night, according to a filing with the U.S. National Response Center. Operators were still working to correct the situation at the time of the filing.

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1014101

Equipment Failure Leads to Sulfur Dioxide Emissions at Phillips 66's 100,000 b/d Ferndale, Washington Refinery June 10

Phillips 66 reported equipment failure at its Ferndale refinery led to emissions of sulfur dioxide Sunday night, according to a filing with the U.S. National Response Center. The filing does not specify what equipment failed, but operators were able to secure the release by the time of the filing.

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1014108

Operational Issue Leads to Flaring at Shell's 156,400 b/d Martinez, California Refinery June 8

Shell Oil Co. said it addressed the operational issue that led to flaring on Friday at its Martinez refinery in California, according to a spokeswoman. The company declined to discuss the units involved.

Reuters, 16:59 June 8, 2012

Fire Damages Unspecified Unit at Shell's 225,000 b/d Scotford Upgrader in Alberta June 8; Causes No Material Impact to Production

Royal Dutch Shell on Friday reported a small fire had damaged an unspecified unit at its Scotford oil sands upgrader near Edmonton, Alberta. The company said only that the impact on production was not material, without specifying further.

[http://www.reuters.com/article/2012/06/08/market-cancrude-](http://www.reuters.com/article/2012/06/08/market-cancrude-idUSL1E8H8ERX20120608?type=companyNews&feedType=RSS&feedName=companyNews&rpc=43)

[idUSL1E8H8ERX20120608?type=companyNews&feedType=RSS&feedName=companyNews&rpc=43](http://www.reuters.com/article/2012/06/08/market-cancrude-idUSL1E8H8ERX20120608?type=companyNews&feedType=RSS&feedName=companyNews&rpc=43)

<http://plainsresponds.com/>

Natural Gas

ExxonMobil Shuts-In Inlet Gas after Turbine Malfunction at Its 925 MMcf/d King Ranch Gas Plant in Texas June 9

ExxonMobil reported its King Ranch Gas plant shut-in inlet gas Saturday night when the Fiat Refrigerant turbine overloaded and eventually shut down, according to a filing with the Texas Commission on Environmental Quality. Operators reduced the volume of sales gas, which then caused back pressure in the system and ultimately caused the pressure safety valves on the residue line to relieve to the atmosphere, the filing said. Operators made adjustments and restored normal operations the next morning.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=169488>

Exterran Reports Multiple Unit Shutdowns at Its 50 MMcf/d Reinecke Gas Plant in Texas June 9–10

Exterran reported Units 71850, 77981, 70539, and 77982 shut down at its Reinecke gas plant over the weekend, likely because of bad fuel, according to filings with the Texas Commission on Environmental Quality.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=169487>

Third-Party Compressor Malfunction Leads to Flaring at WTG Gas's 50 MMcf/d East Vealmoor Gas Plant in Texas June 10

WTG Gas Processing LP reported a third-party transmission station that pumps residue gas from the East Vealmoor plant lost a compressor, forcing operators to flare excess residue gas, according to a filing with the Texas Commission on Environmental Quality. The facility maintained stable operating pressures by flaring.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=169490>

Other News

U.S. Court of Appeals Rejects NRC Nuclear Waste Storage Rules June 8

The U.S. Court of Appeals in Washington on Friday ruled that the U.S. Nuclear Regulatory Commission (NRC) has inadequately considered long-term health and environmental risks in its regulations regarding the permanent storage of spent nuclear fuel, and it must draft new regulations. Under the current regulations, operators are permitted to transfer spent fuel rods to deep-water pools for cooling before storing them permanently in dry concrete and steel casks at the site of the reactor. Onsite storage is currently the industry's only option, but it poses a dangerous risk, the court said in deciding a lawsuit brought by New York state. The ruling may help activists trying to block nuclear plants from receiving licensing extensions, as it questions whether power generators can adequately and safely store nuclear waste over the long term, but some industry analysts see the decision as a minor procedural issue.

<http://www.bloomberg.com/news/2012-06-08/nuclear-waste-storage-rules-thrown-out-by-u-s-court.html?cmpid=yahoo>

International News

Update: UAE's 1.4 MMb/d Hormuz Bypass Pipeline Should be Commissioned in June

The director general of Fujairah Municipality in the United Arab Emirates (UAE) on Friday said that construction on a pipeline that will bypass the Strait of Hormuz is nearing completion and should be commissioned this month, ahead of schedule. The pipeline links the Habshan oilfields to the port of Fujairah, an oil storage terminal outside the Strait of Hormuz on the Gulf of Oman. It will have an initial rate of 1.4 MMb/d, but its capacity could rise to 1.8 MMb/d on demand.

http://azstarnet.com/news/world/uae-readies-oil-export-pipeline-to-bypass-hormuz/article_96c5f526-2db0-5072-9db9-bcea905ebf99.html

Baker Hughes Oil & Gas Oil Workers Strike in Norway June 9, Shutting Down at Least 5 Rigs

Approximately 115 workers at Baker Hughes Inc. went on strike Saturday night, potentially delaying the scheduled drilling of production and exploration wells for some oil companies in Norway, including Statoil, ExxonMobil, and Royal Dutch Shell. However, a Statoil spokesperson said there should be no immediate impact on production, as most of the rigs are drilling new production wells or doing maintenance on existing wells. There may be a larger strike in the near future, as there is a June 23 deadline for a wage settlement between unions and the Norway oil industry.

<http://www.marketwatch.com/story/norway-oil-workers-strike-forcing-rig-shutdown-2012-06-11>

Energy Prices

| U.S. Oil and Gas Prices | | | |
|--|-------|----------|----------|
| June 11, 2012 | | | |
| | Today | Week Ago | Year Ago |
| CRUDE OIL West Texas Intermediate U.S. \$/Barrel | 83.60 | 83.25 | 99.40 |
| NATURAL GAS Henry Hub \$/Million Btu | 2.20 | 2.24 | 4.92 |

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>

Please direct comments and questions to: ead@oe.netl.doe.gov