



ENERGY ASSURANCE DAILY

Wednesday Evening, June 17, 2009

Electricity

Update: About 12,000 MLGW Customers Remain Without Power in Tennessee June 17

As of 9:00 AM CDT, MLGW reports that 12,315 customers remain without power, six days after storms first impacted the company's service area. Severe storms damaged power lines and knocked out power to at least 131,000 MLGW customers in the region beginning on the evening of Friday, June 12 and new storms added about 10,000 new outages over the weekend.

<http://twitter.com/mlgw>

TVA's Inspector General Releases Audited Report on Kingston Fossil Plant Ash Slide

Tennessee Valley Authority (TVA) is engaged in responding to one of the largest spills in its history, the ash spill at Kingston Fossil Plant (KIF) in which 5.4 million cubic yards of ash poured onto adjacent land and into the Emory River in December 2008. In summary, TVA's Office of the Inspector General found: TVA has not implemented National Incident Management System (NIMS) in accordance with Homeland Security Presidential Directive (HSPD)-5 which hampered communications and delayed certain emergency response actions following the spill. TVA's actions for responding quickly to media and public inquiry resulted in releases of inaccurate and inconsistent information and subsequent public criticism which caused reputational harm. TVA has responded effectively to victims in the affected area, however, failure to communicate the claims policy and decisions in a timely manner increased settlement expectations for some.

<http://oig.tva.gov/2009audits.html>

Southern California Edison Signs Contracts for Up to 960 Megawatts of Renewable Power

Southern California Edison (SCE) has signed agreements with wind and solar suppliers for up to 960 megawatts of clean, renewable power. The recent agreements, subject to approval of the California Public Utilities Commission, include two contracts with Solar Millennium for a potential 726 megawatts of power from solar-thermal trough generators. When complete, those projects call for two 242 megawatt facilities with the option to expand one to include an additional 242 megawatts. The projects would be located in Blythe, California, and Ridgecrest, California, and are expected to come on line in 2013 and 2014.

<http://www.edison.com/pressroom/pr.asp?id=7235>

AEP's 690 MW Oklaunion Coal-fired Unit Returns to Service June 16 in Texas After Brief Outage

<http://www.reuters.com/article/marketsNews/idUSN1734727920090617>

Petroleum

Tractor Trailer Accident Cuts Power to Valero and Marathon Refineries in Texas City, Texas June 16

According to the U.S. Coast Guard, a tractor trailer accident cut power to Valero's 199,500 b/d refinery and Marathon's 76,000 b/d refinery in Texas City, Texas around 6:00 PM CDT, June 16. Valero said June 17 that it had restarted a coker that shut the due to the loss of external power and the incident had no material impact to refinery production. Marathon reported that the power outage impacted "a couple units" and that those units were returning to normal operations on June 17.

<http://www.reuters.com/article/rbssEnergyNews/idUSN1754984820090617>

Bloomberg News, 13:45 June 17, 2009

Bloomberg News, 09:34 June 17, 2009

FCCU Restarts After Upset at Citgo's 156,000 b/d Corpus Christi, Texas Refinery June 16

Citgo said it restarted a fluidic catalytic cracking unit (FCCU) on June 16. According to a filing with Texas regulators, the FCCU experienced an upset on the evening of June 16 that necessitated reducing the charge rates or shutting down all units in the refinery's East Plant.

Bloomberg News, 10:18 June 17, 2009

Reuters, 10:14 June 17, 2009

Update: ConocoPhillips's Began Restarting Unidentified Unit at 152,000 b/d Borger, Texas Refinery June 15

According to a company spokesman, an unidentified unit began restarting at the refinery June 15 after being shut due to a weather-related power outage. Previously, ConocoPhillips had reported process upsets at its Borger refinery on June 14 and June 15 in filings to state regulators.

Bloomberg News, 17:26 June 17, 2009

SRU Restarts at ConocoPhillips's 247,000 b/d Sweeny, Texas Refinery June 17

According to a filing with Texas regulators, the Sulfur Recovery Unit (SRU) 39.1 restarted early June 17.

<http://www11.tceq.state.tx.us/oce/eeer/index.cfm?fuseaction=main.getDetails&target=125347>

Shell Extends Force Majeure on Forcados Oil Shipments from Nigeria June 16

The force majeure on Shell's Forcados oil shipments will be extended for the rest of June and all of July. Force majeure was initially imposed in March, following an attack on the trans-Escravos pipeline, which Shell owns with state-run Nigerian National Petroleum Corporation (NNPC)

Reuters, 05:38 June 17, 2009

Natural Gas

U.S. Natural Gas Storage Limits Likely to be Tested in 2009

Inventories of natural gas in the United States have grown at a record pace this building season after ending the winter heating season at their second highest levels ever. Total stockpiles of natural gas stand at 2.443 Tcf, a record for this time of year, and if inventory builds continue at the current rate, stocks could top 4 Tcf by November. Even if injections just match the five-year average for the next 20 weeks or so, stocks will hit an all-time high of 3.8 Tcf by winter. EIA estimates peak storage capacity at just under 3.8 Tcf, but according to EIA officials, the theoretical total design capacity of all existing U.S. storage fields, less base gas, is probably closer to 4.2 Tcf.

Reuters, 14:10 June 17, 2009

Tilden Gas Plant in Texas Plans Restart June 17 After Failed Attempt June 7

According to a filing with Texas regulators, the plant will attempt to restart at 4:00 PM CDT June 17. This is a planned startup following the June 7 attempted startup in which the plant could not achieve enough gas volume or quality of gas to complete the scheduled startup at that time.

<http://www11.tceq.state.tx.us/oce/eeer/index.cfm?fuseaction=main.getDetails&target=125460>

SRU Briefly Shut at 160 MMcf/d Goldsmith Gas Plant in Texas June 16

The No. 2 reheater went down due to a flame scanner malfunction, causing the Sulfur Recovery Unit (SRU) to be taken offline. The SRU was put back online as quickly as possible. An SRU shut at the same plant on June 13 when a sulfur boiler tripped.

<http://www11.tceq.state.tx.us/oce/eeer/index.cfm?fuseaction=main.getDetails&target=125620>

<http://www11.tceq.state.tx.us/oce/eeer/index.cfm?fuseaction=main.getDetails&target=125466>

Other News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices			
June 17, 2009			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	71.07	71.17	133.52
NATURAL GAS Henry Hub \$/Million Btu	4.17	3.53	12.73

Source: Reuters

Energy Notes

Severe Summer Storm Knocks Out Power to 15,000 Cumberland Electric Membership Cooperative Customers and 4,000 CDE Lightband Customers in Tennessee June 16

<http://www.theleafchronicle.com/article/20090617/NEWS01/906170343>

UniStar Nuclear Energy, NRG Energy Inc., Scana Corp and Southern Co. Expected to Share DOE Loan Guarantees for New Nuclear Plants – Wall Street Journal

<http://blogs.wsj.com/environmentalcapital/2009/06/17/nuclear-revival-doe-picks-recipients-of-nuclear-loan-guarantees/tab/print/>

Chevron to Press Ahead with Oil and Gas Projects in Nigeria Despite Recent Wave of Attacks

<http://www.platts.com/Oil/News/6416440.xml?p=Oil/News&sub=Oil>

Compliance Energy Orders Feasibility Study on Raven Underground Coal Project in British Columbia

<http://news.prnewswire.com/DisplayReleaseContent.aspx?ACCT=104&STORY=/www/story/06-17-2009/0005045564&EDATE>

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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