



U.S. DEPARTMENT OF ENERGY
Office of Electricity Delivery and Energy Reliability
Infrastructure Security and Energy Restoration

ENERGY ASSURANCE DAILY

Thursday Evening, August 04, 2011

Electricity

Storms in Alabama Down Utility Lines, Knock Out Power to 45,000 Customers August 3-4

Athens Utilities reported a peak of 25,000 Alabama customers without power after storms hit the area. Huntsville Utilities also reported a peak of 20,000 Alabama customers without power. As of latest reports, 11,000 Huntsville Utilities customers are still in the dark.

<http://enewscourier.com/local/x541063880/Power-out-to-25-000-locally-storms-cause-three-fires-one-death-in-N-Ala>

http://blog.al.com/breaking/2011/08/huntsville_utilities_reporting_1.html

Multiple Thunderstorms Knock Out Power to Peak of About 20,000 Kansas Customers August 3-4

News reports indicated that a peak of about 20,000 Westar Energy customers lost power in Kansas amid thunderstorms and high winds. As of latest reports, 8,442 customers are still in the dark. The company reported the morning of August 3 that a total of at least 47,081 customers had lost power at one point during the storms, though the company said that this number does not reflect peak outages, and that it includes some customers who were double-counted due to losing power multiple times.

<http://www.ksn.com/news/local/story/Strong-storms-sweep-through-Wichita-bringing-rain/d1osCOK1TEG51xMk885-A.csp>

<http://www.kansascity.com/2011/08/04/3056438/thousands-without-power-after.html>

<http://westarenergyblog.com/>

<http://twitter.com/#!/westarenergy>

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

AES's 225 MW Huntington Beach Gas-fired Unit 3 in California Returns to Service by August 3

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

<http://content.caiso.com/unitstatus/data/unitstatus201108031515.html>

Update: GenOn Energy's 775 MW Ormond Beach Gas-fired Unit 2 in California Returns to Service by August 3

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

<http://content.caiso.com/unitstatus/data/unitstatus201108031515.html>

PG&E's 119 MW Belden Hydro Unit in California Shut by August 3

According to the California Independent System Operator, the unit reported an unplanned outage on August 3.

<http://content.caiso.com/unitstatus/data/unitstatus201108031515.html>

Update: Entegra Power Group's 291 MW Gila River Dynamic Resource Gas-Fired Unit in Arizona Returns to Service by August 3

According to the California Independent System Operator, the unit reported a return from an unplanned curtailment of 191 MW.

<http://content.caiso.com/unitstatus/data/unitstatus201108031515.html>

AEP's 675 MW Pirkey Coal-Fired Power Plant in Texas Shuts, Restarts August 4

According to a filing with state regulators, the unit tripped due to "undervoltage on 13.8A switchgear."

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=157615>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=157616>

Update: Operators Retract July 16 NRC Notification Regarding Loss of Computers at SCE's San Onofre Nuclear Plant in California August 4

On July 16, operators of the plant filed a report with the Nuclear Regulatory Commission (NRC) reporting an unusual event "due to safeguards system degradation related to access to protected and vital areas of the plant." On August 4, operators retracted the notification, indicating that the declaration of the unusual event was not required.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2011/20110804en.html>

UGI's 125 MW Hunlock Gas-Fired Power Plant in Pennsylvania Shut by July 28

According to the company, a failure in the heat recovery steam generator in one of the plant's two gas-fired units led to a shutdown of the entire plant. Operators are inspecting the 65 MW unit 6 to see if it was damaged in the event. The plant's other unit, the 60 MW unit 5, was not damaged in the incident. However, unit 5 was also shut down as a precautionary measure.

<http://finance.yahoo.com/news/UGI-Reports-Outage-at-its-bw-3419293330.html?x=0&.v=1>

ERCOT Nearly Forced to Curtail Electricity to Industrial Customers in Texas amid Extreme Heat and High Demand August 3

According to a grid official, power reserves were reduced to just 1,800 MW Wednesday afternoon, 50 MW away from pushing ERCOT into its Level 2 emergency status. The power grid remains in emergency with tight supply as of latest reports.

Reuters, 16:30 August 3, 2011

Reuters, 18:05 August 3, 2011

Petroleum

BP Shuts Crude Unit at 405,000 b/d Whiting, Indiana Refinery for Unplanned Repairs by July 31

The unit, which was reportedly still shut on August 3, is one of three crude units at the facility. Reports did not indicate whether overall plant production was impacted, though reports indicated that the unit is one of the smaller crude distillation units at the refinery.

<http://online.wsj.com/article/BT-CO-20110803-716193.html>

<http://online.wsj.com/article/BT-CO-20110803-715056.html>

ConocoPhillips Restarts Wet Gas Compressor at 362,000 b/d Wood River, Illinois Refinery August 3

The compressor was restarted, and the associated unit brought back to normal operations. The unit was shut earlier in the day due to a power outage.

Reuters, 00:25 August 4, 2011

<http://www.bloomberg.com/news/2011-08-04/gulf-coast-gasoline-spot-discount-narrows-as-futures-tumble.html>

http://www.nrc.uscg.mil/reports/rwervlet?standard_web+inc_seq=984783

<http://tier2.iema.state.il.us/FOIAHazmatSearch/HazmatDetails.aspx?RptNum=H-2011-0855>

Pembina Places 100,000 b/d Nipisi Heavy Oil and 22,000 b/d Mitsue Diluent Pipelines into Service in Alberta by August 3

The Nipisi pipeline is a new 118-mile (190-kilometer), 100,000 b/d heavy oil pipeline which will run from north of Slave Lake to Pembina's existing pipeline south of Swan Hills and on to Edmonton. It has the potential to be expanded to 200,000 b/d. The 22,000 b/d Mitsue pipeline will transport condensate from various sources in Alberta to heavy oil producers operating north of Slave Lake for use by producers to dilute heavy oil prior to transport. It consists of about 84 miles (135 kilometers) of new pipeline and about 75 miles (120 kilometers) of existing pipeline. It has the potential to be expanded to 45,000 b/d.

<http://pembina.mediaroom.com/index.php?s=10336&item=48815>

Plains All American Announces Completion of 100,000 b/d Expansion at 320,000 b/d Mesa Pipeline System in Texas by August 4

The company announced that it recently increased the available throughput capacity of its 80-mile Mesa Pipeline System by approximately 100,000 b/d to approximately 420,000 b/d. The pipeline system is jointly owned by subsidiaries of Plains All American and Sunoco Logistics.

<http://www.b2i.us/profiles/investor/ResLibraryView.asp?BzID=789&ResLibraryID=46559&Category=117>

BakkenLink LLC Scales Back Plans for Proposed Oil Pipeline in North Dakota Due to Uncertainty Surrounding TransCanada's Proposed Keystone XL Pipeline August 3

The BakkenLink pipeline was originally planned to carry up to 100,000 b/d 250 miles from North Dakota to Baker, Montana. However, the project has now been scaled down to 144 miles, entirely within North Dakota, due to construction uncertainties related to TransCanada's proposed Keystone XL pipeline. The BakkenLink pipeline, which will be designed to ship oil in either direction along its route, was originally due to feed Keystone XL.

<http://www.chron.com/dispatch/story.mpl/ap/tx/7682386.html>

Musket Announces Construction Begins on Capacity Expansion at Dore, North Dakota Crude-by-Rail Facility August 1

Construction began on August 1 on a high-speed loading facility capable of moving unit trains of crude oil from the Bakken Shale/Williston Basin to markets across the country. Additions to the facility include a loading rack for unit trains, fixed tanks, and a pipeline connection. The facility will have a total outbound capacity of 70,000 b/d when it is complete, planned for the first quarter of 2012.

<http://www.musketcorp.com/PressReleaseAugust1.aspx>

Apache Reports Production Increased by 102,000 Boe/d over Past Year August 4

The company reported production levels of 749,000 boe/d for the three-month period ending June 30, 2011. During the same period in 2010, production was 647,000 boe/d. Apache reported that the following projects completed during the last quarter contributed towards the company's overall production increase:

- Apache commenced production from its most prolific development well in the Forties field in the North Sea, which came online in excess of 12,500 b/d of oil.
- The company also drilled five new field discoveries in the Faghur basin in Egypt. In aggregate, the wells tested at rates exceeding 12,000 b/d of oil and 19 MMcf/d of natural gas.

<http://investor.apachecorp.com/releasedetail.cfm?ReleaseID=596727>

Devon Energy Reports 2011 North American Onshore Production Increases August 3

The company reported that its North American onshore production averaged the highest daily rate in the company's history at 660,000 boe/d in the second quarter of 2011. This represents a production increase of more than six percent over the second quarter of 2010, driven by a 12 percent increase in oil and natural gas liquids production.

<http://www.dvn.com/Newsroom/Pages/NewsRelease.aspx?id=1592396#terms?disclaimer=yes>

GNMTC's Cartagena Gasoline Tanker En Route to Gadhafi-Controlled Libyan Port Seized by Rebels Offshore Malta, Diverted to Rebel Territory by August 4: NATO

The vessel belongs to the Libyan government's General National Maritime Transportation Company (GNMTC). It was seized with assistance of special forces from an unnamed European state.

Reuters, 16:22 August 3, 2011

<http://www.nasdaq.com/aspx/stock-market-news-story.aspx?storyid=201108040827dowjonesdjonline000388&title=libyan-government-fuel-tanker-diverted-to-rebel-benghazi-nato>

BOEMRE Director Says IHS CERA Offshore Drilling Report Is "Fundamentally Flawed"

The July 21 IHS CERA report suggested that there is a backlog of offshore drilling permits waiting for government approval. Michael Bromwich, the director of the Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE), said that the report both contained errors and presents "misleading conclusions about the current state of offshore oil and gas drilling."

<http://fuelfix.com/blog/2011/08/02/bromwich-cera-offshore-report-flawed/>

Natural Gas

Three Companies to Submit Moneta Divide Plan to Add 4,200 Natural Gas Wells near Riverton, Wyoming

Encana Oil & Gas, Noble Energy, and ConocoPhillips are jointly considering adding 4,200 deep gas wells about 30 miles east of Riverton, Wyoming. There are currently about 500 producing gas wells in the region. Encana plans to submit a development plan to the U.S. Bureau of Land Management within weeks.

<http://www.businessweek.com/ap/financialnews/D9OS5MU00.htm>

Other News

Aventine Restarting 45 MMGal/Yr. Aurora East Ethanol Plant in Aurora, Nebraska

Aventine Renewable Energy Holdings shut the plant in April to make improvements to the plant's fermentation process. The company originally planned to complete the work by the third week of May. The company also said that it has completed construction on the co-located 110 MMGal/Yr. Aurora West ethanol plant, but it does not intend to begin production at the plant until it has applied some lessons learned while previously starting up an identical 110 MMGal/Yr. plant in Mount Vernon, Indiana.

<http://www.ethanolproducer.com/articles/8034/aventine-restarting-45-mmgy-plant-after-fermentation-improvements>

United Steelworkers Sign Contract, Ending 13-Month Lockout at Honeywell's Metropolis, Illinois Uranium Processing Plant August 3

According to the United Steelworkers, the processing plant is the largest conversion plant in the world to produce nuclear fuel for commercial reactors.

http://www.usw.org/media_center/releases_advisories?id=0412

Energy Prices

U.S. Oil and Gas Prices			
August 4, 2011			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	89.77	97.52	82.73
NATURAL GAS Henry Hub \$/Million Btu	4.26	4.46	4.78

Source: Reuters

Energy Notes

KCP&L Says 15,000 Missouri Customers Lose Power Due to Mechanical Failure at Substation in St. Joseph August 3 – All Customers Restored by August 4

<http://www.newspressnow.com/news/28755324/detail.html>

http://www.kcpl.com/storm/storm_update.html

Lightning Strikes Kentucky Utilities Substation and Storms Knock Tree Limbs onto Power Lines, Leaving 10,000 of the Utility's Customers in Kentucky without Power August 3 – As of August 4, Just 87 Remain in the Dark

<http://www.kentucky.com/2011/08/03/1833824/storms-knock-out-power-to-10000.html>

<http://stormcenter.lge-ku.com/default.html>

**SCADA Systems Used to Run Power Plants and Other Infrastructure Lack Security
Precautions to Stop Hackers: Researchers**

http://news.cnet.com/8301-27080_3-20087201-245/researchers-warn-of-scada-equipment-discoverable-via-google/?part=rss&tag=feed&subj=InSecurityComplex

**Paramount Resources' Grand Rapids, Alberta Formation Contains 763 Million Barrels of
Economic Contingent Bitumen, with Production Estimate of 80,000 b/d, Up from Last
Year's 70,000 b/d Assessment: McDaniel & Associates Consultants**

<http://www.calgaryherald.com/business/Paramount+Resources+volumes+deep+basin+growth/5199814/story.html>

**Magellan Midstream Partners Considering Project to Use Idled Pipelines in Oklahoma and
Existing Lines in Texas to Transport 60,000-70,000 b/d of Crude Oil from Cushing,
Oklahoma to the U.S. Gulf Coast**

Reuters, 14:14 August 3, 2011

<http://af.reuters.com/article/energyOilNews/idAFN1E7721OY20110803>

**One Killed, Two Injured after Several Propane Explosions Cause Fires at Global Propane
Facility in Butler County, Kansas August 2**

<http://www.ksn.com/news/local/story/Butler-Co-residents-survey-the-damage-after/LXjFHBWCW0Si8bYwtySjwg.csp>

<http://www.augustagazette.com/x555037894/One-fatality-two-others-injured-in-Butler-County-propane-explosion>

**I-465 Closed and Driver Killed after 20,000-Gallon Fuel Tanker Truck Overtakes in
Speedway, Indiana August 3, Spilling Roughly 3,000 Gallons of Fuel**

http://www.wishtv.com/dpp/news/local/marion_county/Driver-killed-as-tanker-truck-overtakes-

**Propane Gas Explosion Causes Fire at Nantucket, Massachusetts Golf Club August 2,
Injuring Propane Delivery Truck Driver**

<http://www.myfoxboston.com/dpp/news/local/gas-explosion-at-nantucket-golf-club-20110802>

Ten-Acre Grass Fire Burns PSO Power Lines, Threatens Oil Wells in Oklahoma August 1

http://sandspringsleader.com/news/grass-fire-threatens-broadcast-tower-oil-wells/article_416e065a-bc7e-11e0-8f7d-001cc4c002e0.html

Luling Gas Plant in Texas Shut after Operators Discover Amine Reboiler Leak August 3

<http://www11.tceq.state.tx.us/oce/eeer/index.cfm?fuseaction=main.getDetails&target=157617>

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 & 1:00 PM EDT every Wednesday.

Natural Gas Weekly Update from EIA

<http://www.eia.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM EDT every Thursday.

ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/ead.aspx>

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