



ENERGY ASSURANCE DAILY

Thursday Evening, September 08, 2011

Electricity

Update: As Rain Continues to Fall Throughout the Southern United States, Approximately 14,000 Alabama Power Customers Remain without Power in Alabama September 8

Alabama Power reported 14,000 Birmingham-area customers remained without power Thursday morning as a result of Tropical Storm Lee. At its peak, approximately 220,000 Alabama Power customers were without power.

http://www.alabamapower.com/news/dyn_pressroom.asp?s=43&item=2398

Indiana-Michigan Power's 1,000 MW D.C. Cook Nuclear Unit 1 in Michigan Shut by September 8

The Nuclear Regulatory Commission reported that on the morning of September 7 the unit was operating at full capacity when the reactor automatically tripped due to a fault with the main turbine. The NRC is still investigating the cause of the main turbine trip.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2011/20110908en.html>

Information also derived from the NRC Power Reactor Status Reports:

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

PG&E's 1,087 MW Diablo Canyon Nuclear Unit 1 in California at Full Power by September 8

The Nuclear Regulatory Commission reported that on the morning of September 7 the unit was operating at 50 percent and has now increased capacity to 100 percent.

Information derived from the NRC Power Reactor Status Reports:

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

AES's 179 MW Unit 5 and 175 MW Unit 6 at its Redondo Beach Gas-Fired Plant in California Shut by September 7

According to the California Independent System Operator, the units reported an unplanned outage on September 7.

<http://content.aiso.com/unitstatus/data/unitstatus201109071515.html>

Petroleum

Update: O&G Impacts from Tropical Storm Lee Currently at 14.8 Percent of U.S. Gulf of Mexico Oil Production and 6.8 Percent Gas Production September 8; Down Significantly from Peak

The Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE) issued a press release Thursday reporting workers remain evacuated from some production facilities in the U.S. Gulf of Mexico. At its peak, 60.5 percent of oil production and 41.6 percent of gas production were shut-in.

<http://www.boemre.gov/ooc/press/2011/press0908.htm>

BP Doubles its Estimate of the Reserve Volume to 4 Billion Barrels of Oil Equivalent in Mad Dog Field in U.S. Gulf of Mexico September 7

BP announced late Wednesday that it has now doubled the estimated reserve volume in its Mad Dog field in the U.S. Gulf of Mexico, 140 miles off the coast of Louisiana. According to a BP press release, "The well results confirm a significant resource extension for the Mad Dog Field complex, which includes the existing field, in production since 2005, and appraisal drilling of the Mad Dog South field in 2008 and 2009." The company is now estimating that the field has up to four billion barrels of oil equivalent.

<http://www.bp.com/genericarticle.do?categoryId=2012968&contentId=7070853>

http://www.upi.com/Business_News/Energy-Resources/2011/09/08/BP-announces-major-find-in-US-gulf/UPI-22281315483517/?spt=hs&or=er

<http://www.bloomberg.com/news/2011-09-07/bp-doubles-oil-estimate-from-gulf-of-mexico-s-mad-dog-field.html>

<http://channel6news.com/2011/09/bp-finds-new-oil-sources-in-gulf-of-mexico/>

Update: Study Estimates Tar Sands Oil Will Reach U.S. Refineries Even if Federal Government Rejects TransCanada's Proposed Alberta-to-Texas Keystone XL Pipeline September 8

An EnSys Energy study commissioned by the U.S. Department of State estimates that Canadian tar sands oil will move to U.S. refineries by rail, barge, or trucks if not by the proposed 700,000 b/d pipeline. The pipeline project is pending approval from the State Department, which is required to consider whether it would serve the national interest and plans to make a decision on the project by the end of the year. The State Department has noted that rail transport is riskier than pipelines when moving liquids because it results in more emissions and noise, requires higher energy use and transportation costs, and causes traffic delays.

<http://www.businessweek.com/ap/financialnews/D9PJQBJ00.htm>

<http://coloradoindependent.com/98703/report-keystone-xl-oil-will-go-overseas-pipeline-won%E2%80%99t-enhance-u-s-energy-security>

NuStar, Valero Agree to Pipeline Extension Leading to Valero's 100,000 b/d Three Rivers, Texas Refinery by Mid-2012 September 8

Under the agreement, NuStar will build and connect 55 miles of new, 12-inch pipeline to existing pipelines to move crude oil from Valero's two Corpus Christi refineries to Valero's Three Rivers refinery. NuStar will also reverse an 8-inch pipeline that transports refined products from Corpus Christi to Three Rivers and convert it to a crude oil pipeline. The new pipeline system is scheduled to be completed by the middle of next year.

<http://fuelfix.com/blog/2011/09/08/nustar-to-add-to-pipelines-in-deal-with-valero/>

Operations Normal after Total's 232,000 b/d Port Arthur, Texas Refinery Experiences Operational Upset September 8

Following an operational upset in the sulfur recovery units of the Port Arthur refinery on September 8, gases at the plant were routed to emergency flares as designated. Operations reached normal rates later in the day.

http://www.plastemart.com/plastic-facts-information.asp?news_id=20635&news=Operations-at-Total-

<http://www11.tceq.state.tx.us/oce/eeer/index.cfm?fuseaction=main.getDetails&target=158920>

Tesoro's 120,000 b/d Anacortes, Washington Refinery to Bring in Rail Cars of Bakken Crude September 8

As part of its "pipeline on rails" project in the Bakken Shale, the company will bring in 120 rail cars of crude every other day. Under the project, which was announced in July, Tesoro would run 800 rail cars to bring in 30,000 b/d of crude by the end of 2012.

Reuters, 10:44 September 8, 2011

Update: Cenovus Energy and ConocoPhillips' Expansion Project at Joint 362,000 b/d Wood River, Illinois Refinery is Delayed September 8

Cenovus and 50-50 partner ConocoPhillips announced that their project to increase coking capacity at the refinery by 65,000 b/d is delayed but still expected to be completed in the fourth quarter of 2011. The upgrade will allow the companies to process 130,000 b/d more of heavy Canadian crude at the Wood River refinery, lifting the capacity for those grades to 240,000 b/d.

<http://www.xe.com/news/2011/09/08/2144181.htm>

Update: Pemex's 330,000 b/d Salinas Cruz Refinery Scheduled to Restart September 8

The refinery in Oaxaca, Mexico, which shut down after a power outage forced the company to shut down 26 processing units, should resume normal operations by Thursday afternoon.

<http://af.reuters.com/article/energyOilNews/idAFN1E7851ZW20110906>

Irving Oil Has Begun 12-Week Project to Significantly Upgrade 300,000 b/d St. John, New Brunswick Refinery September 8

A major upgrade is underway at Irving Oil's New Brunswick refinery. The work is focused on the refinery's Butamer Unit, Alkylolation Units 1 and 2, and the Sulphuric Acid Regeneration Unit. All units are located within the North and South Process Areas of the refinery.

<http://www.xe.com/news/2011-09-08%2015:02:00.0/2144753.htm>

http://www.downstreamtoday.com/news/article.aspx?a_id=27799&AspxAutoDetectCookieSupport=1

Natural Gas

Amine System Problem Shuts 130 MMcf/d Midkiff Gas Plant in Texas September 7

Operators shut down the plant on September 7 when the amine system began foaming over. They cut back on inlet gas to restabilize the amine system and were planning to restart the plant by September 8.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=158924>

XTO Energy Russell Compressor Station in Texas Shut September 7

There was an unspecified problem at the plant on September 7, and it is not able to produce gas until repairs are made to the equipment. Flaring is being used to minimize emissions. The plant is scheduled to restart by September 9.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=158914>

Field Units Go Down at Keystone Gas Plant in Texas September 7

While the GMV unit at the Emperor Compressor Station was down for maintenance and repair of a suction block valve that wouldn't open, other field units went down due to high line pressure. This caused flaring of low pressure inlet gas. The GMV at Emperor is still down for routine maintenance, but all other units were back online later that day.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=158919>

Other News

Nothing to report

Energy Prices

U.S. Oil and Gas Prices September 8, 2011			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	89.34	88.81	74.90
NATURAL GAS Henry Hub \$/Million Btu	3.96	3.97	3.81

Source: Reuters

Energy Notes

O&G Producers Focus on Tropical Storm Nate in Southwest Gulf of Mexico September 8

<http://www.businessweek.com/ap/financialnews/D9PJO5VO1.htm>

<http://www.businessweek.com/ap/financialnews/D9PJSM881.htm>

Flaring Reported at Valero's 340,000 b/d Corpus Christi, Texas Refinery during Maintenance Work on the Off Gass Compressors September 8

<http://www.marketwatch.com/story/valero-maintenance-wont-affect-refinerys-output-2011-09-08>

ConocoPhillips's 247,000 b/d Belle Chasse, Louisiana Refinery Experiences Equipment Malfunction September 5

<http://www.marketwatch.com/story/valero-maintenance-wont-affect-refinerys-output-2011-09-08>

Flaring Reported at Valero's 340,000 b/d Corpus Christi, Texas Refinery September 8

<http://www.marketwatch.com/story/valero-maintenance-wont-affect-refinerys-output-2011-09-08>

BMG Company Gets Preliminary Approval to Build 150,000 b/d Oil Refinery in al-Ahdab Oil Field in Western Kut, Iraq September 8

http://en.aswataliraq.info/Default.aspx?page=article_page&c=slideshow&id=144721

Tanker Truck Explodes, Closing I-80 in Pennsylvania; Clean Up Underway September 8

<http://www.wkbn.com/content/news/local/story/I-80-Cleanup-Efforts-Continue-After-Crash/pEymFQ5UxEmdxDMDjiFD0A.csp>

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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