



ENERGY ASSURANCE DAILY

Thursday Evening, February 10, 2011

Electricity

Ice, Wind Knock Out Power to 84,000 CenterPoint Energy Customers in Texas February 9

The company restored power to most of the affected customers by yesterday evening. Only scattered outages remained, as of latest reports.

<http://gis.centerpointenergy.com/OutageTracker/Default.aspx>

<http://abclocal.go.com/ktrk/story?section=news/local&id=7949795>

Update: Increased Temperatures Prompt ERCOT to End Request for Energy Conservation in Texas February 10

Citing forecasts for record electric demand, the Electric Reliability Council of Texas (ERCOT) asked customers to conserve electricity yesterday evening and this morning, but the grid operator ended that request by mid-afternoon, news and official sources reported. ERCOT said this morning that it did not expect to order any state-wide rotating outages, but – due to transmission line limitations – warned of a higher risk of rotating outages in the Rio Grande Valley area. More than 1,764 MW of power generation capacity remained offline yesterday evening, after cold weather and high demand forced offline 7,000 MW last week. Demand rose to a record 57,282 MW across the ERCOT grid this morning, according to the grid operator.

http://ercot.com/news/press_releases/2011/nr02-10-11

http://ercot.com/news/press_releases/2011/nr02-09-11

Reuters, 13:43 February 10, 2011

Reuters, 12:42 February 10, 2011

Steam Pipe Ruptures, Injuring Six People and Forcing Shut Unit at Edison Mission's 1,884 MW Coal-Fired Power Plant in Homer City, Pennsylvania February 10

A six-inch steam pipe ruptured this morning at Edison Mission Group's 1,884 MW coal-fired power plant in Homer City, Pennsylvania, injuring six people and automatically shutting one of the site's three units, news and company sources reported. The other two units remained online, as of latest reports.

<http://www.post-gazette.com/pg/11041/1124471-100.stm>

<http://www.edison.com/ourcompany/emg.asp?id=1583>

Calpine's 593 MW Metcalf Gas-Fired Unit in California Reduced by February 9

According to the California Independent System Operator, the unit reported an unplanned curtailment of 308 MW by February 9.

<http://www.caiso.com/unitstatus/data/unitstatus201102091515.html>

SCE's 200 MW Eastwood Hydro Unit in California Reduced by February 9

According to the California Independent System Operator, the unit reported an unplanned curtailment of 150 MW by February 9.

<http://www.caiso.com/unitstatus/data/unitstatus201102091515.html>

After Brief Shutdown, Luminant to Restart 593 MW Big Brown Coal-Fired Unit 2 in Texas February 9

The unit shut on February 9 due to multiple leaks, Luminant said in a filing with state regulators. The company expected to restart the unit later on February 9, according to a separate filing.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=150546>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=150523>

Xcel to Shut 347 MW Harrington Coal-Fired Unit 1 in Texas February 10-15

The company expected to shut the unit "to fix tube leaks and other minor maintenance items," it said in a filing with state regulators.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=150574>

PPL Plans to Construct or Rebuild at Least Two Electric Transmission Lines in Pennsylvania

PPL Electric Utilities plans to construct about 60 miles of new 230-kV power line from the Wilkes-Barre area to an area west of Hawley, Wayne County, and rebuild about 20 miles of an existing 69-kV transmission line that runs from the Peckville area in Lackawanna County to Honesdale in Wayne County, the company said on February 9. The plans are part of a six-year project to improve electric service in northeast Pennsylvania and the Pocono Mountains, according to the company.

<http://stage2.mediaroom.com/pplweb/index.php?s=12270&item=25816>

Petroleum

Transformer Failure Forces Shut Compressor at Flint Hills' 305,000 b/d Corpus Christi, Texas Refinery February 9

A coker wet gas compressor shut unexpectedly on February 9 due to "the failure of the compressor's constant voltage transformer," Flint Hills said in a filing with state regulators. The company installed a temporary transformer and restarted the compressor within hours, according to the filing. It was not clear if the incident had any impact on production.

<http://www.bloomberg.com/news/2011-02-10/flint-hills-texas-refinery-shuts-coker-gas-compressor-update1-.html>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=150570>

Cold Weather Triggers Upset at ConocoPhillips' 146,000 b/d Borger, Texas Refinery February 8-10

"Freezing weather" led to a "process upset" and triggered emissions on February 8-10, the company said in a filing with state regulators. It was not clear if there was any impact on production.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=150544>

Valero to Process More Domestically-Derived Crude at 93,000 b/d Three Rivers, Texas Refinery

Valero plans to process more crude from the Eagle Ford Shale in Texas – and subsequently less crude from foreign sources – at its 93,000 b/d Three Rivers, Texas refinery, its Chief Executive said on February 10. The company is processing 27,000 b/d of crude from the Eagle Ford at present; it expects to raise that number to 40,000 b/d by May 2011 and 60,000 b/d the end of 2011.

Reuters, 13:47 February 10, 2011

Update: Pumping Stations Receive New Gasoline Supplies after Brief Shortages in Silver City, New Mexico February 8-9

Multiple pumping stations ran out of gasoline in or near Silver City, New Mexico on February 8, but tanker trucks began re-supplying the affected facilities on February 9, a local news source reported. The shortages appeared to be related to shutdowns at two nearby refineries: Western Refining's 125,000 b/d plant in El Paso, Texas and Holly Corporation's 100,000 b/d Navajo facility in Artesia, New Mexico. Panic buying, however, exacerbated the problem. Western Refining's plant was shut due to weather-related issues; the Navajo facility was offline for planned maintenance. Both facilities were expected to restart soon, as of latest reports.

http://www.scsun-news.com/ci_17346209

U.S. Oil-Drilling Rig Count Rises to Highest Level in More than 20 Years: Baker Hughes

Some 818 rigs were drilling for oil in the United States last week, more than twice as many as were operating in 2010 and the largest total since at least 1987, Baker Hughes reported.

http://www.rigzone.com/news/article.asp?a_id=104021

Oil Companies Could Use Hydraulic Fracturing to Produce up to 2 Million b/d of Crude in North Dakota, California, Colorado, and Texas by 2015

The 2 million b/d total would be higher than current production in the Gulf of Mexico.

<http://www.washingtonpost.com/wp-dyn/content/article/2011/02/09/AR2011020904027.html>

Update: Hijacked Oil Tanker was En Route to Valero Refineries along U.S. Gulf Coast

The Irene SL oil tanker was en route to Valero refineries along the U.S. Gulf Coast when it was hijacked by pirates on February 9, a source familiar with the matter said on February 10. The tanker contained approximately 2 million barrels of oil.

Reuters, 13:16 February 10, 2011

After Repairs, Cyclones, Apache Restarts Production at 35,000-40,000 b/d Van Gogh Oilfield Offshore Australia February 6

Apache shut the field in October to fix an associated floating production, storage, and offloading (FPSO) vessel. The company had expected to resume production in January, but cyclones postponed those plans. It planned to ramp the field up to between 35,000 and 40,000 b/d, according to an official.

http://www.rigzone.com/news/article.asp?a_id=103985

Natural Gas

Update: One Dead after February 8 Explosion and Fire at Enterprise Products' 305,000 b/d NGL Fractionation Facility in Mont Belvieu, Texas

One contract worker died during the Tuesday explosion and fire at Enterprise Products Partners' 305,000 b/d natural gas liquids (NGL) fractionation facility in Mont Belvieu, Texas, the company confirmed on February 9. The fire occurred in an NGL storage area and was fully contained and extinguished on February 8; there was no damage to Enterprise's NGL and propylene fractionators, butane isomerization units, and/or other processing facilities. Two of the site's four NGL fractionation units were online, as of latest reports. Enterprise said it was working to return all of the facilities to full operations and fully restore all services to its customers. The company did not believe that the service disruptions had materially affected upstream gas processing facilities and gas plant production. ONEOK Partners, separately, said it had resumed operations at its 160,000 b/d MB-1 fractionator, adjacent to the Enterprise complex. ONEOK shut the facility after the fire, citing precautionary reasons.

<http://www.chron.com/dispatch/story.mpl/metropolitan/7419912.html>

<http://phx.corporate-ir.net/phoenix.zhtml?c=80547&p=irol-newsArticle&id=1527238&highlight=>

<http://ir.oneok.com/releasedetail.cfm?ReleaseID=548943&ReleaseType=ONEOK%20General>

Apparent Explosion along UGI-Operated, 12-Inch Natural Gas Pipeline Kills Three People and Destroys Two Homes in Allentown, Pennsylvania February 9

The explosion killed at least three people, destroyed two homes, damaged another six, and forced hundreds of local residents to evacuate, multiple news and official sources reported. Officials had not yet confirmed the source of the blast, but a UGI Utilities spokesman said "the incident has the look and feel of a natural gas explosion." A 12-inch low-pressure pipeline was apparently involved. The incident occurred at about 11 PM local time on February 9. The company arrived within minutes, turned off gas to the affected area early on February 10, and controlled the leak shortly thereafter, according to separate sources.

<http://www.reuters.com/article/2011/02/10/us-explosion-pennsylvania-idUSTRE7193V220110210>

<http://abcnews.go.com/Business/pennsylvania-natural-gas-explosion-leaves-dead/story?id=12883552>

<http://www.whnt.com/mc-allentown-house-explodes-020911,0,218416.story>

Update: New Mexico Gas Company Restores Natural Gas to all Customers in New Mexico by February 9

New Mexico Gas finished restoring natural gas to the 32,000 customers who lost service during last week's cold spell, the company said on February 9.

https://www.nmgco.com/Emergency_Updates.aspx

<http://www.bloomberg.com/news/2011-02-09/crews-work-to-restore-natural-gas-in-northern-nm.html>

Some Eastern U.S. Politicians and Officials Express Concerns over Hydraulic Fracturing

State and local politicians and officials in the eastern United States have expressed concerns over the safety of hydraulic fracturing, or “fracking” – a controversial technique in which drillers inject chemicals into the ground – and in some cases, have voted to block the process throughout the areas in which they serve. Such votes have been largely symbolic, so far, since the few cities that enacted bans did not have active “fracking” projects within their jurisdictions. EPA scientists, under the current administration and at the direction of Congress, are undertaking a study of hydraulic fracturing to better understand any potential impacts it may have, including on groundwater.

<http://www.baltimoresun.com/features/green/bs-gr-marcellus-20110209,0,6104108.story>

<http://online.wsj.com/article/APdff8b16cf9c140269653d532b0e19c01.html>

http://news.yahoo.com/s/nm/20110208/us_nm/us_energy_natgas_usa_buffalo

<http://yosemite.epa.gov/opa/admpress.nsf/d0cf6618525a9efb85257359003fb69d/26195e235a35cb3885257831005fd9cd!OpenDocument>

Copano Energy to Extend and Expand Existing 225,000 MMBtu/d DK Pipeline in Texas – Line to Deliver 350,000 MMBtu/d

Copano Energy plans to extend and expand its recently-completed, 225,000 MMBtu/d, 24-Inch DK Pipeline in DeWitt and Karnes Counties, Texas, the company said on February 9. Specifically, Copano expects to add 58 miles of 24-inch pipeline through Lavaca County to directly connect the DK Pipeline system into its Houston Central Complex. The extension will increase the line’s capacity to 350,000 MMBtu/d. Copano plans to begin service in the fourth quarter of 2011.

<http://www.copanoenergy.com/RSS/News.asp?releaseID=1527147>

Other News

350 Green LLC to Deploy 280 Electric Vehicle Charging Stations in Chicago, Illinois

<http://www.chicagotribune.com/news/local/sns-ap-il--chicago-carcharging.0,2370064.story>

Energy Prices

U.S. Oil and Gas Prices			
February 10, 2011			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	85.70	89.38	72.84
NATURAL GAS Henry Hub \$/Million Btu	4.22	4.55	5.47

Source: Reuters

Energy Notes

Substation Fire Cuts Electricity to More than 20,000 LIPA Customers for Just Over One Hour in Nassau County, New York February 10

<http://www.newsday.com/long-island/nassau/fire-knocks-out-power-to-20-000-in-nassau-1.2676290>

Substation Failures Knock Out Power for Nearly 90 Minutes to 10,228 Joe Wheeler Electric Membership Corporation Customers in Alabama February 10

<http://www.decaturdaily.com/stories/Lawrence-power-back-on,75092>

S Cold Weather, High Demand Apparently to Blame as About 5,000 OG&E Customers and About 5,000 PSO Loser Power in Oklahoma February 10 – Companies Restore Power to Most Customers by Afternoon

<http://www.newson6.com/Global/story.asp?S=14007299>

SkyPower Limited Plans 10 MW Solar Power Facility on Fort William First Nation Land in Thunder Bay, Ontario – Company Expects to Complete Construction by Summer 2011

<http://www.prnewswire.com/news-releases/skypower-enters-into-landmark-agreement-with-fort-william-first-nation-115716449.html>

Compressor Shuts at ExxonMobil's 504,500 b/d Refinery in Baton Rouge, Louisiana February 9

<http://www.automatedtrader.net/real-time-dow-jones/46062/refinery-status-exxon-reports-compressor-trip-at-baton-rouge>

Barge Owner and Operator to Pay \$4 Million Penalty to U.S. Coast Guard for Fatal 2003 Explosion that Caused 3.2 Million Gallons of Gasoline to Spill into Arthur Kill, New York

http://www.silive.com/southshore/index.ssf/2011/02/4m_penalty_in_2003_staten_isla.html

Citing Storm Damage, Maersk Oil Says it Expects 18,400 b/d Gryphon Oil-and-Gas Facility in U.K. North Sea Offline for “a Considerable Time”

<http://af.reuters.com/article/energyOilNews/idAFDKT00525620110210>

OPEC Oil Production Rises 300,000 b/d, from 29.27 Million b/d in December 2010 to 29.57 Million b/d in January 2011 – 29.57 Million b/d Figure Marks Highest Output in More than Two Years

http://www.rigzone.com/news/article.asp?a_id=104009

Acid Gas Compressor Shutdown Leads to Flaring at Waha Gas Plant in Texas February 10

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=150576>

Instrument Air Trip Triggers Shutdown of Tilden Gas Plant in Texas February 10

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=150561>

Fuel System Snag Leads to Turbine Shutdown, Flaring at Andrews Booster Station in Texas February 9 – Turbine Restarted within One Hour

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=150493>

Update: PG&E Postponed Natural Gas Pipeline Inspections, Used Less-Comprehensive Methods than Recommended Ahead of Fatal September Explosion along Pipeline in San Bruno, California: State Audits

http://www.sacbee.com/2011/02/09/3390734/audits-pge-delayed-checking-gas.html#mi_rss=Latest%20News

Range Resources Corporation Says Unproved Resource Potential Rises from 24-32 Tcfe at End of 2009 to 35-52 Tcfe at End of 2010

<http://phx.corporate-ir.net/phoenix.zhtml?c=101196&p=irol-newsArticle&ID=1526113&highlight=>

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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