



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

ENERGY ASSURANCE DAILY

Tuesday Evening, June 09, 2009

Major Developments

Shell's 1.14 Million b/d Capline Pipeline Restarts After Repairs Late June 8

The pipeline initially shut down on June 7 due to a minor valve leak and a small crude spill. The valve was repaired but the pipeline was shut down again on June 8 for additional work. The pipeline restarted late June 8. According to Shell, the pipeline's operator, customers were not impacted by either shutdown because there was adequate crude in storage. The Capline pipeline, which carries crude oil from the Gulf Coast to Midwest refineries, has been carrying around 700,000 to 800,000 b/d recently due to weak demand.

Reuters, 12:11 June 9, 2009

Reuters, 17:40 June 8, 2009

Electricity

Dominion Virginia Power Prepares for 2009 Hurricane Season

Dominion Virginia Power has been preparing for the 2009 hurricane season by working closely with local, state and federal emergency response organizations and providing storm training for key responders, conducting emergency response drills, and strengthening its service restoration processes.

<http://news.prnewswire.com/DisplayReleaseContent.aspx?ACCT=104&STORY=/www/story/06-09-2009/0005041109&EDATE>

PECO Replacing Its Electric Transmission Operating System for Enhanced System Reliability, Security

The Pennsylvania utility is replacing its 15-year old monitoring and control system with a new system that will begin operation in 2010. The new Transmission Operating System is expected to provide the operators with more information in a filtered, better-organized manner, enhancing their level of situational awareness. Additionally, the system will ensure compliance with federally mandated reliability and cyber infrastructure protection standards, established by the North American Electric Reliability Corporation (NERC), and will provide a reliable interface with operators at PJM Interconnection, the regional transmission grid operator.

<http://finance.yahoo.com/news/PECO-Replacing-Its-Electric-bw-15467575.html?v=1>

Duke Energy Partners with Cisco to Fast-Track Development of Utility's 'Smart Grid'

The three-year partnership is the latest development in Duke Energy's effort to rapidly convert its existing electricity delivery infrastructure into an advanced smart grid that uses two-way digital communication to reduce energy usage, improve efficiency, bolster system reliability, detect power outages, and integrate solar and other renewable energy sources into the electric grid.

<http://www.duke-energy.com/news/releases/2009060901.asp>

ComEd Recommends Partners for Smart Grid Pilot Program in New York

ComEd announced June 9 its recommended technology and information partners for the company's proposed Advanced Metering Infrastructure (AMI) pilot, the first step in Smart Grid deployment that will allow customers to take control of their bills by providing information about how much energy they use and how much it costs before they receive a bill at the end of the month.

<http://phx.corporate-ir.net/phoenix.zhtml?c=124298&p=irol-newsArticle&ID=1297662&highlight>

AEP Reports it Will Shut Down 528 MW Welsh Coal-fired Unit 1 in Texas for One Day of Repairs Starting Between June 8-12

According to a filing with state regulators, the unit will be shut for unplanned maintenance on auxiliary equipment.
Reuters, 08:43 June 9, 2009

Ace Cogeneration's 118 MW Coal-fired Unit in California Returns to Service by June 8

According to the California Independent System Operator, the unit reported a return from an unplanned outage.
<http://www.caiso.com/unitstatus/data/unitstatus200906081515.html>

Petroleum

FCCU Fails on Restart at Sunoco's 335,000 b/d Philadelphia, Pennsylvania Refinery

According to sources familiar with refinery operations, the fluidic catalytic cracking unit (FCCU) failed on initial restart and is expected to take three to four more days to bring back. The restart attempt began late June 8. Sunoco is reportedly drawing on inventories to supply customer needs.
Reuters, 12:54 June 9, 2009
Bloomberg News, 13:05 June 9, 2009

Fire Shuts CDU, Coker, and Vacuum Unit at Valero's 185,000 b/d Norco, Louisiana Refinery June 9

A small fire in a vacuum unit was quickly extinguished at the refinery early June 9. A spokesman for the refinery said the fire shut the crude distillation unit (CDU), coker, and a vacuum tower. The outages are not expected to be lengthy.
Reuters, 11:33 June 9, 2009
Reuters, 12:46 June 9, 2009
Bloomberg News, 13:24 June 9, 2009

Update: FCCU Restarts at Citgo's 165,000 b/d Corpus Christi, Texas Refinery June 7

The fluidic catalytic cracking unit (FCCU) No. 1 at the plant was restarted on June 7 after four days of unplanned work.
<http://online.wsj.com/article/BT-CO-20090609-706286.html>

Update: Wet Gas Compressor on Coking Unit Back Online at ExxonMobil's 348,500 b/d Beaumont, Texas Refinery June 9

A company spokeswoman said that the wet gas compressor associated with a coking unit returned to service June 9. The compressor, which shut on June 7, was expected to have minimal impact on production.
Bloomberg News, 12:42 June 9, 2009

WRB Refining to Restart Hydrodesulfurization Unit at 146,000 b/d Borger, Texas Refinery

WRB Refining notified state regulators June 7 that it plans to restart a gas oil hydrodesulfurization unit at its Borger, Texas, refinery sometime between June 6 and June 14. It was not clear when the unit was taken off line.
<http://online.wsj.com/article/BT-CO-20090609-706286.html>

Energy Quest to Commence Construction of Heavy Oil Upgrader in Alberta

Energy Quest announced that its wholly owned subsidiary, WaveChem, Inc. will commence construction immediately on its 5,000 b/d Heavy Crude Oil Upgrader located in Alberta.
<http://www.downstreamtoday.com/News/ArticlePrint.aspx?aid=16663>

Natural Gas

CIG Seeks FERC Approval to Commence Service at Totem Storage Field in Colorado

Colorado Interstate Gas Company (CIG) has asked FERC for authorization to commence service no later than June 29 on the Totem Gas Storage Field Project in Adams County, Colorado. The company said it was nearing completion of construction of the initial phase and injection of base gas. It proposes to then begin injections of up to 6 Bcf of working gas.
<http://intelligencepress.com/>

Blue Sky Files with FERC to Build 4.4 Bcf Rockies Gas Storage Facility

Blue Sky Gas Storage LLC has filed an application at FERC seeking to build a natural gas storage project in Logan County, Colorado, with proposed interconnects with the Rockies Express, Trailblazer and Kinder Morgan Interstate pipelines and access to Cheyenne Hub by backhaul on Trailblazer. The facility is currently designed to store natural gas with 4.2-4.6 Bcf of working gas capacity, 100 million cubic feet per day (MMcfd) of deliverability capacity, and 100 MMcfd of injection capacity.

<http://intelligencepress.com/>

<http://blueskygasstorage.com/>

Other News

EIA's STEO Predicts Less Shut in Oil and Gas from 2009 Hurricanes

EIA's Short Term Energy Outlook (STEO) estimates expected production shut-ins on the U.S. Gulf Coast during the upcoming hurricane season (June through November) of about 4.5 million barrels for crude oil and 36 billion cubic feet for natural gas. Actual shut-ins are likely to differ significantly from this expectation depending on the number, track, and strength of hurricanes as the season progresses. EIA's simulation results indicate a 3- to 4-percent probability of offshore crude oil or natural gas production experiencing outages the same as or larger than last season when Hurricanes Gustav and Ike struck the Gulf Coast, causing shut-in production of more than 60 million bbls of crude oil or 335 Bcf of natural gas. The likelihood that shut-in production will be greater than zero is estimated to be about 95 percent.

http://www.eia.doe.gov/emeu/steo/pub/special/2009_sp_03.html

Energy Prices

U.S. Oil and Gas Prices			
June 9, 2009			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	70.03	68.47	135.99
\$/Barrel			
NATURAL GAS			
Henry Hub	3.53	3.86	12.71
\$/Million Btu			

Source: Reuters

Energy Notes

Violent Storms Knock Out Power to 12,200 Customers in the Washington-Baltimore Metropolitan Area June 9

<http://www.washingtonpost.com/wp-dyn/content/article/2009/06/09/AR2009060901183.html>

NRC to Inspect Recurrent Coolant Pump Failures at Constellation Energy's Ginna Reactor in New York

Bloomberg News, 12:24 June 9, 2009

Flaring Reported at Alon USA's 67,000 b/d Big Spring, Texas Refinery June 8

<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=125229>

Court Ruling Threatens Planned Upgrade of Chevron's Richmond, California Refinery

<http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2009/06/09/BA1F1834QF.DTL>

US DOE Offers \$1.4 billion for Carbon Capture and Storage Projects

<http://www.platts.com/Oil/News/6394682.xml?p=Oil/News&sub=Oil>

Qatar to Supply LNG to Sempra's New Cameron LNG Import Terminal in Louisiana – First Shipment Expected in August

http://public.sempra.com/newsreleases/viewpr.cfm?PR_ID=2375&Co_Short_Nm=SE

Service Vessel Accident Shuts ConocoPhillips' 23,000 b/d Platform at Ekofisk Field in the Norwegian Sea June 8

Reuters, 03:08 June 9, 2009

U.S. Navy Says Gulf of Aden Pirates Could Expand Raids into the Red Sea

<http://www.reuters.com/article/latestCrisis/idUSL91041732>

Putin Warns EU That Gas Supply from Russia Could be Cut in June/July if Ukraine's Naftogaz Does Not Pay Bill

http://www.ogj.com/index/article-display/5523683228/s-articles/s-oil-gas-journal/s-general-interest/s-government/s-articles/s-russia_s-putin_warns.html

Russia's Gazprom Aims for 5-10 Percent of U.S. Gas Market by 2020 with Arctic LNG Projects

<http://www.reuters.com/article/marketsNews/idUSL944149620090609>

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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