



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

# ENERGY ASSURANCE DAILY

Thursday Evening, June 09, 2011

## Major Developments

### Storms Following Heat Wave Knock Out Power to Nearly 250,000 Customers Across the U.S. Midwest and Northeast June 7-9

On June 7, the hot weather caused power lines in Calhoun County, Michigan to sag such that a tree knocked down a 46,000 volt Consumers Energy power line, starting a small grass fire, and requiring the company to take the Beadle substation offline. The following evening in Michigan, winds in front of a strong thunder storm system, damaged infrastructure. Strong wind gusts of up to 70 mph toppled trees and power lines. A company spokesman for Alliant Energy noted that crews have been working all night to restore power but there are "so many smaller outages that are so widespread." A CL&P spokeswoman indicates the company hopes to have power restored in all areas of eastern Connecticut later today.

U.S. Midwest and Northeast Customer Power Outages			
June 8 – June 9			
Electric Utility	State	Peak	Latest Reported
DTE Energy	MI	35,000	800
Consumers Energy	MI	33,000	6
Commonwealth Edison	IL	66,000	59,000
Alliant Energy	WI/MN	27,000	5,138
We Energies	WI	25,000	330
National Grid	MA/NY	31,219	11,537
Dominion	VA	19,734	771
Central Vermont Public Service	VT	11,000	1,500
Connecticut Light & Power	CT	8,900	3,773
Westar	KS	2500	741
<b>TOTAL*</b>		<b>259,353</b>	<b>83,596</b>

\*Total outages only represent electric utilities listed in this table.

Sources:

DTE Energy: <http://www.dteenergy.com/map/outage.html>,

<http://www.monroenews.com/apps/pbcs.dll/article?AID=/20110608/NEWS01/110609977/-1/NEWS>,

<http://www.dailytribune.com/articles/2011/06/09/news/doc4df0b8e6cb38b448764238.txt>,

<http://www.mlive.com/newsflash/index.ssf/story/severe-thunderstorms-bring-damaging-winds-to-mich/d56b5b2b3620451dbfb7a9a6d1af774c>,

[http://www.woodtv.com/dpp/news/local/kalamazoo\\_and\\_battle\\_creek/Downed-line-starts-fire-power-out](http://www.woodtv.com/dpp/news/local/kalamazoo_and_battle_creek/Downed-line-starts-fire-power-out)

Consumers Energy: <http://www.monroenews.com/apps/pbcs.dll/article?AID=/20110608/NEWS01/110609977>,

<http://www.mlive.com/newsflash/index.ssf/story/severe-thunderstorms-bring-damaging-winds-to-mich/d56b5b2b3620451dbfb7a9a6d1af774c>

Alliant Energy:

<http://www.alliantenergy.com/UtilityServices/StormOutageCenter/ElectricalOutageSummary/index.htm>,

[http://host.madison.com/weather/article\\_d5f6267c-9285-11e0-af2c-001cc4c002e0.html](http://host.madison.com/weather/article_d5f6267c-9285-11e0-af2c-001cc4c002e0.html),

<http://gazettextra.com/weblogs/latest-news/2011/jun/09/thousands-alliant-customers-still-without-power/>,

<http://www.todaystmj4.com/news/local/123533254.html>

We Energies: <http://www.we-energies.com/outagemapext/>

Commonwealth Edison: <http://www.comed.com/sites/customerservice/Pages/OutageMap.aspx>,

<http://abclocal.go.com/wls/story?section=news/local&id=8179917>

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

<http://www.knsradio.com/2011/06/09/wichitakansas/High-Winds-Cause-Problems-in-South-Central-Kansas/10072381>

Connecticut Light & Power: <http://www.cl-p.com/outage/OutageMap.aspx>,  
<http://www.norwichbulletin.com/newsnow/x41280829/Overnight-thunderstorms-knocks-out-power-for-thousands#axzz1OmbQxrDT>  
Central Vermont Public Service: [http://www.cvps.com/AboutUs/news/viewStory.aspx?story\\_id=340](http://www.cvps.com/AboutUs/news/viewStory.aspx?story_id=340),  
Dominion: <http://www.dom.com/storm-center/dominion-electric-outage-summary.jsp>

## ***Electricity***

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### **On June 9 AEP Announces Plans to Retire Nearly 6,000 MW of Coal-fired Generation to Comply with U.S. EPA Proposed Regulations**

AEP also plans to upgrade or install new emissions reduction equipment on an additional 10,100 MW, convert 1,070 MW of coal-fired generation into 932 MW of natural gas capacity, and build 1,220 MW of natural gas-fired generation. The company indicates the compliance plan will require \$6 billion to \$8 billion in capital investments through the end of the decade.

Reuters, 12:04 June 9, 2011

<http://blogs.wvgazette.com/coaltattoo/2011/06/09/aep-would-shutter-5-coal-plants-to-meet-epa-rules/>

### **Update: As Wallow Fire Burns, Navopache Electric Switches Off Electricity to Some Arizona Customers to Protect Fire Fighters**

According to the Navopache Electric Cooperative's website, the following eastern Arizona communities "remain without power at the request of the Fire Incident Commander for the safety of the fire fighters:

Greer, Sunrise, Big Lake, South Fork, Alpine, Nutrioso, and the Blue." Navopache Electric's New Mexico customers are currently receiving electricity from generators – the company has asked its customers to use power sparingly until further notice. The "Wallow" wildfire continues to burn in eastern Arizona, approximately eight miles west of Tucson Electric Power's two 345 kV transmission lines connecting the Springerville and San Juan Generating Stations to Tucson, Arizona. The fire is also just 15 miles southwest of El Paso Electric's 345 kV Springerville-Luna transmission line. El Paso warned that if the fire damages its transmission lines, the company may have to institute rolling blackouts for its New Mexico and Texas customers. Latest reports indicate that winds are moving the fire to the northeast toward the companies' critical transmission lines.

<http://www.navopache.org/>

<http://www.tucsonelectric.com/Company/News/WallowFire/>

<http://www.epelectric.com/about-el-paso-electric/arizona-wildfires-threaten-key-epe-transmission-line>

<http://www.inciweb.org/incident/2262/>

### **Severe Thunderstorms Cause Outages for About 150,000 Hydro One Customers, Damage Utility Distribution System in Ontario, Canada on June 8**

The utility has restored power to more than 40,000 customers, but 110,000 still remain without power. Heavy rain, high winds, lightning, and hail resulted in damage to more than 300 poles and many downed power lines. The company indicates that electricity may not be restored to some customers until the weekend.

Canada News Wire, 10:41 June 9, 2011

<http://www.cbc.ca/news/canada/ottawa/story/2011/06/09/ottawa-storm-follow.html>

<http://www.cbc.ca/news/canada/toronto/story/2011/06/08/toronto-storm-damage.html>

<http://www.citytv.com/toronto/citynews/news/local/article/135992--more-than-100-000-customers-without-power-after-storms-school-bus-cancellations>

### **Duke Energy's 1,129 MW Catawba Nuclear Unit 1 in South Carolina Ramped Up to 54 Percent by June 9**

The Nuclear Regulatory Commission reported that on the morning of June 8 the unit was operating at 15 percent. Information derived from the NRC Power Reactor Status Reports:

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

### **Update: Calpine's 561 MW Los Medanos Energy Center Aggregate Gas-Fired Unit in California Returns to Service by June 8**

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

<http://www.caiso.com/unitstatus/data/unitstatus201106081515.html>

## **Flooding During Flushing Activity has Potential to Affect Safety Equipment At Exelon's 2,360 MW Braidwood Nuclear Plant in Illinois June 8**

A flushing hose ruptured and caused flooding in the Auxiliary Building. Flood water came in contact with the motors of the 1A and 2A AF pumps which could have affected safety related equipment needed for current operations. The operator is currently evaluating affected components.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2011/20110609en.html>

## **Secondary Containment Declared Inoperable at NMC's 578 MW Monticello Nuclear Unit in Minnesota on June 8**

A ventilation alignment issue caused the secondary containment differential pressure to be "lowered to 0.17 inches of water vacuum which does not meet the surveillance requirement" according to a Nuclear Regulatory Commission (NRC) report. The secondary containment differential pressure was later restored back to the proper level.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2011/20110609en.html>

## **Coal Bunker Catches Fire at Alliant's 238 MW Prairie Creek Coal-Fired Power Plant in Cedar Rapids, Iowa on June 8**

On Wednesday a fire was reported below a boiler in the basement of the plant where coal mills are located. Employees were performing annual maintenance when the fire occurred. Employees were evacuated and no injuries were reported. An Alliant Energy spokesman indicates the plant reduced production, but wouldn't cause noticeable changes for customers.

<http://www.wqad.com/news/sns-ap-ia--powerplantfire,0,548577.story>

## ***Petroleum***

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### **Exxon Announces Three Oil Discoveries in Gulf of Mexico at 700 Million boe on June 8**

The wells were discovered in the Keathley Canyon, 250 miles southwest of New Orleans, Louisiana and are the first new deepwater wells discovered in the Gulf of Mexico since the 2010 BP oil spill. Reports indicate that the new wells have the potential to make Exxon one of the largest oil and gas producers in the Gulf. Bloomberg indicates this is "the biggest discovery in the region in 12 years" and the size of the wells may increase as drilling continues. The lower tertiary geological formation of the deepwater Gulf may contain as much 15 billion bbls of oil. BP's Kaskida discovery, estimated to hold 3 billion bbls of oil, is also located in the lower tertiary geological formation.

<http://finance.yahoo.com/news/Exxon-makes-new-oil-discovery-apf-2121284843.html?x=0&.v=1>

<http://online.wsj.com/article/SB10001424052702304392704576373380473285472.html.html>

<http://www.bloomberg.com/news/2011-06-08/exxon-mobil-reports-3-discoveries-in-gulf-of-mexico.html>

[http://news.yahoo.com/s/nm/20110608/bs\\_nm/us\\_exxonmobil\\_3](http://news.yahoo.com/s/nm/20110608/bs_nm/us_exxonmobil_3)

### **OPEC Leaves Crude Production Quotas Unchanged, IEA Suggests Tapping Emergency Oil Stocks, Obama Considers Release from Strategic Petroleum Reserve**

Nobuo Tanaka, the executive director of IEA indicates, "If Saudi cannot fill the whole gap...we have to move by releasing oil stocks." During a press briefing on Wednesday, Press Secretary Jay Carney indicated that "supply is not meeting demand," noting that "disruption caused by the situation in Libya...has removed 1.5 million barrels a day from the market." The White House has not yet reached a decision on whether to open the strategic reserve.

<http://www.timesrecordnews.com/news/2011/jun/09/oil-above-101-after-opec-leaves-output-unchanged/>

<http://af.reuters.com/article/energyOilNews/idAFN0821479920110608?pageNumber=3&virtualBrandChannel=0>

<http://www.politico.com/news/stories/0611/56569.html>

<http://finance.yahoo.com/news/Obama-still-considering-apf-1055864764.html?x=0&.v=1>

### **Shell Announces Plans to Develop Cardamom Oil and Gas Field in Gulf of Mexico**

Shell anticipates that the Cardamom will produce 50,000 boe/d at peak production and more than 140 million boe over its lifetime. Shell is planning to move ahead with development drilling and the installation of undersea equipment.

[http://www.rigzone.com/news/article.asp?a\\_id=107864](http://www.rigzone.com/news/article.asp?a_id=107864)

### **Alon Successfully Restarts Crude Unit at 80,000 b/d Krotz Springs, Louisiana Refinery, June 8-9**

The refinery had been shut in late May due to the opening of the Morganza spillway along the Mississippi River basin to minimize flooding. The unit is functioning normally, and the company expects the refinery to be in full operation in the next couple of weeks. Maintenance originally planned for the third quarter was completed during the outage.

Reuters, 17:53 June 8, 2011

[http://www.downstreamtoday.com/news/article.aspx?a\\_id=26862](http://www.downstreamtoday.com/news/article.aspx?a_id=26862)

### **Update: Production Remains Cut Due to Coker Unit Outage at Valero's 287,000 b/d Port Arthur, Texas Refinery June 8**

The coker unit was shut due to a lightning strike and power outage on Monday. A hydrocracking unit was restarting on Wednesday, along with two crude units and gasoline-producing fluidic catalytic cracking unit.

Reuters, 17:53 June 8, 2011

Reuters, 16:34 June 8, 2011

### **Whiting Petroleum Corp. Lowers Production Forecast Range from 6.15 Million boe to 6.35 Million boe Down to New Range 5.75 million boe to 5.85 Million boe June 8**

The oil production forecast was lowered for its second quarter and full year on Wednesday due to power outages, pipeline repairs and other problems that interfered with production.

<http://www.businessweek.com/ap/financialnews/D9NNVSF00.htm>

### **Plains All American Pipeline LP Announces 187,000 b/d Rainbow Oil Pipeline in Alberta, Canada Will Remain Shut Until End of June**

The pipeline that ruptured in late April causing an oil spill will remain shut while the operator plans to complete digs to check the integrity of the northern leg of the pipeline.

Reuters, 12:12 June 9, 2011

### **Exxon Mobil Corp Returns Unit to Service after Compressor Trip at 238,600 b/d Joliet, Illinois Refinery**

Repairs were made to the compressor unit as a result of the trip, which occurred on May 21.

Reuters, 11:36 June 9, 2011

### **Utility Power Outages Requires Restart of Kinder Morgan 300,000 b/d Trans Mountain Oil Pipeline in Canada on June 8**

The pipeline was restarted at 9:36 PDT, when BC Hydro restored power to the area.

Reuters, 14:09 June 8, 2011

## ***Natural Gas***

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### **DCP Midstream Announces Plans for 150,000 b/d Southern Hills NGL Pipeline Connecting Hubs in Conway, Kansas and Mont Belvieu, Texas to be Operational in Mid-2013**

The pipeline will be converted to a natural gas liquids pipeline more than 700 miles in length. The company will also add a 130-mile extension to Conway, a 30-mile extension to Mont Belvieu, and add pump capacity and new gathering infrastructure to the existing 580-mile pipeline. DCP Midstream processing plants and anticipated third-party NGL producers will also be connected to the pipeline.

[http://www.downstreamtoday.com/news/article.aspx?a\\_id=26861](http://www.downstreamtoday.com/news/article.aspx?a_id=26861)

### **Penn Virginia Resource Partners, L.P. Plans \$35 Million Expansion of Natural Gas Gathering System Upgrade to 20 MMcf/d Antelope Hills Processing Facility in Texas**

The Antelope Hills processing facility will have a new total capacity of 70 MMcf/d after the upgrades, as well as additional gathering system enhancements and optimization. The planned expansion will increase the company's total processing capacity in the Texas, Panhandle region to 330 MMcf/d.

<http://www.prnewswire.com/news-releases/penn-virginia-resource-partners-lp-announces-acquisition-and-expansion-of-midstream-assets-123489624.html>

## Other News

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### Update: Gevo Provides Expected Construction Date for Isobutanol Conversion Project at Gevo Luverne Ethanol Plant

Construction is expected to start in late June or early July 2011 once the project's water permit is issued. The plant will produce 18 million gallons of isobutanol per year when completed. .

<http://www.agrinenews.com/ethanol/plant/takes/next/step/by/moving/to/isobutanol/story-3642.html>

## Energy Prices

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U.S. Oil and Gas Prices			
June 9, 2011			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	101.98	99.20	74.55
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	4.83	4.62	4.89

Source: Reuters

## Energy Notes

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### Tennessee Gas Pipeline Reports Possible Leak on the West Leg of Bluewater System, 509A to 1500 line, Meters Shut for Investigation on June 9

<http://tebb.epenergy.com/ebbmastertpage/Notices/NoticesAutoTable.aspx?code=TGP&name=Tennessee%20Gas%20Pipeline%20Company%20-%20Notice%20Text&status=Notice&sParam1=TGP&sParam2=D&sParam4=138456&sParam9=D&details=Y>

### U.S. DOE Announces Availability of up to \$70 Million in New Funding for Technology Advancements in Geothermal Energy on June 8

<http://www.energy.gov/news/10354.htm>

### Crownbutte Wind Power Announces 20 MW Wind Farm in North Dakota and 20 MW Wind Farm in Montana Have Completed Development Stage, Will Commence Construction in 2011

<http://finance.yahoo.com/news/NACEL-Energy-Announces-28-iw-1922749285.html?x=0&.v=1>

## Links

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### *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](http://www.eia.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://www.eia.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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