



# ENERGY ASSURANCE DAILY

Thursday Evening, June 11, 2009

## Major Developments

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### **Major Storms Knock Out Power to at Least 287,000 Oncor and SWEPCO Customers in Texas and Louisiana June 10-11**

As of 11:00 AM CDT, June 11, approximately 245,000 Oncor Electric Delivery customers were without power after a series of storms bearing lightning, heavy rain, and high winds knocked down power lines across the company's service territory late June 10 and early June 11. At the peak of the storm, about 260,000 customers were without power with the brunt of affected customers in the Dallas/Fort Worth area. By 4:00 AM CDT, Oncor had restored power to all but 145,000 customers but new storms later knocked out power to 100,000 more. Oncor reported experiencing significant equipment damage from the extremely heavy lightning embedded in the storms. In addition, AEP SWEPCO also reported 22,000 customers without power in its East Texas service area and about 5,000 customers without power in the Shreveport area in northwest Louisiana as of 9:20 AM CDT. By 3:00 PM CDT, SWEPCO's outages had been reduced to 1,300 in East Texas and 1,400 in Shreveport.

<http://www.oncor.com/news/newsrel/detail.aspx?prid=1199>

<http://www.oncor.com/news/newsrel/detail.aspx?prid=1200>

<http://www.swepco.com/news/outages/default.asp>

<http://www.shreveporttimes.com/article/20090611/NEWS01/90611013/1060>

[http://www.dentonrc.com/sharedcontent/dws/drc/localnews/stories/DRC\\_Storm\\_folo\\_0611.6e997363.html](http://www.dentonrc.com/sharedcontent/dws/drc/localnews/stories/DRC_Storm_folo_0611.6e997363.html)

## Electricity

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### **TVA Slows Turbine due to Vibrations at 1,118 MW Browns Ferry Unit 2 Reactor in Alabama by June 11**

The company slowed the reactor after experiencing vibrations while ramping up the unit from refueling outage. According to the NRC, the unit was reduced to 14 percent of capacity June 11, down from 20 percent on June 10. Bloomberg News, 12:07 June 11, 2009

### **PG&E's 407 MW Helms Hydro Unit 1 in California Shut by June 10**

According to the California Independent System Operator, the unit reported an unplanned outage on June 10.

<http://www.caiso.com/unitstatus/data/unitstatus200906101515.html>

### **Reliant's 245 MW Coolwater Gas-fired Unit 3 in California Reduced by June 10**

According to the California Independent System Operator, the unit reported an unplanned curtailment of 125 MW on June 10.

<http://www.caiso.com/unitstatus/data/unitstatus200906101515.html>

### **Update: Ace Cogeneration's 118 MW Coal-fired Unit in California Returns to Service by June 10**

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

<http://www.caiso.com/unitstatus/data/unitstatus200906101515.html>

## **Petroleum**

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### **Valero to Shut 235,000 b/d Aruba Refinery for 2-3 Months due to Poor Margins**

The refinery, which supplies petroleum products to the United States, will begin shutting down in late June and will be completely offline by early July.

Reuters, 13:04 June 11, 2009

### **Update: Sunoco Preparing FCCU for Restart at 335,000 Philadelphia, Pennsylvania Refinery**

A source familiar with refinery operations told Bloomberg News that Sunoco is loading the fluidic catalytic cracking unit (FCCU) with catalyst for a second restart attempt either today, June 11, tomorrow, June 12. The unit failed during an initial restart attempt on June 8.

Bloomberg News, 12:45 June 11, 2009

### **Update: Valero Preparing to Restart Two Units at 185,000 b/d Norco, Louisiana Refinery**

A person familiar with refinery operations told Bloomberg News that the company was preparing to restart the catalytic reformer and a hydrotreater. The units, which process available feedstock at the plant, were shut because they are operated in conjunction with the crude distillation unit (CDU) that was shut on June 9 due to a fire in an attached vacuum unit. The CDU and coker can't be restarted until the vacuum unit is fixed.

Bloomberg News, 12:05 June 11, 2009

### **Update: ConocoPhillips Restarts Hydrodesulfurization Unit at 152,000 b/d Borger, Texas, Oil Refinery June 11**

According to a filing with state regulators, ConocoPhillips is restarting its hydrodesulfurization unit from June 11 to June 13.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=125349>

Bloomberg News, 02:04 June 11, 2009

### **Key Equipment Installed at Murphy Oil's Thunder Hawk Development in Deepwater Gulf of Mexico**

Helix Energy Solutions successfully completed installation of two 86-ton pipeline-end-termination (PLET) modules as a prelude to initiating production on Murphy Oil Co.'s Thunder Hawk development in the deepwater Gulf of Mexico.

<http://www.helixesg.com/Home/HelixcompletesThunderHawkPLETinstallation/tabid/263/Default.aspx>

## **Natural Gas**

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### **TransCanada and ExxonMobil Reach Agreement to Work Together on 4.5 Bcf/d Alaska Gas Pipeline Project**

The announcement ends more than a year of speculation about whether Exxon would join TransCanada's project or join ConocoPhillips and BP on a competing project. In November 2007, TransCanada Alaska and Foothills jointly submitted an application under the Alaska Gasline Inducement Act (AGIA) to build a 4.Bcf/d, 48-inch diameter natural gas pipeline running approximately 1,700 miles from a new natural gas treatment plant at Prudhoe Bay on Alaska's North Slope to Alberta, Canada with an LNG option to deliver gas supplies to a liquefaction facility at Valdez. In December 2008, TransCanada was awarded the AGIA license after prevailing in a competitive bid process and receiving the approval of the Alaska legislature. TransCanada has moved forward with project development, which includes engineering, environmental reviews, Alaska Native and Canadian Aboriginal engagement, and commercial work to conclude an initial binding open season by July 2010.

[http://www.transcanada.com/news/2009\\_news/20090611.html](http://www.transcanada.com/news/2009_news/20090611.html)

<http://online.wsj.com/article/SB124474802050807207.html>

### **Sempra's 1.5 Bcf/d Cameron LNG Terminal in Louisiana to Import First 'Cool-Down' Cargo June 11**

The "cool-down" cargo of LNG will be used to cool pipes and storage tanks at the facility to the correct operating temperature.

Bloomberg News, 05:58 June 11, 2009

## Update: Inspections to Delay Return of Williams' 450 MMcf/d Gas Processing Plant in Colorado's San Juan Basin

Williams Partners L.P. June 10 provided a second update on the status of its Ignacio Gas Processing plant following a ruptured pipeline at the facility on June 3. The scope of the work was expanded beyond the repair of the damaged pipes to ensure that any similarly situated piping was thoroughly inspected and repaired as necessary. The partnership now believes that the work designed to ensure safe and reliable operations at the plant will be completed late next week. The partnership previously announced that it expected the plant to be fully repaired and operational early this week.

[http://news.prnewswire.com/DisplayReleaseContent.aspx?ACCT=ind\\_focus.story&STORY=/www/story/06-05-2009/0005039184&EDATE](http://news.prnewswire.com/DisplayReleaseContent.aspx?ACCT=ind_focus.story&STORY=/www/story/06-05-2009/0005039184&EDATE)

## Non-Binding Open Season Announced for Magnum Gas Storage Project in Utah

Magnum Gas Storage, LLC, announced June 10 the start of a non-binding Open Season for its Magnum Gas Storage Project – the first large-scale, high-deliverability, multi-cycle salt cavern natural gas storage facility to be developed in the Western United States. Magnum's storage facility will interconnect directly or indirectly with multiple pipelines originating out of the Rockies. Magnum is initially developing two salt caverns through solution mining, each with working gas capacity of approximately 5.6 Bcf. The Project will initially be capable of accepting natural gas at Opal for injections of up to 0.30 Bcf/d and of withdrawals of up to 0.50 Bcf/d with a projected 6 - 9 inventory turns annually. The first salt cavern is expected to be available for natural gas storage service beginning in early 2012. Magnum is proposing to construct and operate a total of eight caverns with potential combined working gas storage capacity of approximately 45 Bcf.

<http://sev.prnewswire.com/null/20090610/DA3062110062009-1.html>

## Other News

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### CHS Opens New Ethanol Distribution Terminal in Birmingham, Alabama

On June 9 CHS Inc. held an event celebrating its new ethanol distribution terminal in Birmingham, Alabama, which will help distribute ethanol to blender customers in the Southeast. The terminal will be connected to BNSF Railway, which will ship ethanol produced in the Midwest.

<http://chsinc.mediaroom.com/index.php?s=43&item=115>

## Energy Prices

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U.S. Oil and Gas Prices			
June 11, 2009			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	73.09	69.38	136.80
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	3.56	3.81	12.49

Source: Reuters

## Energy Notes

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### Update: Nigerian Militant Group MEND Again Warns Oil Workers to Leave the Niger Delta June 11

<http://www.platts.com/Oil/News/8626711.xml?p=Oil/News&sub=Oil>

### Senate Energy Committee Votes Against Directional Drilling in ANWR

<http://www.adn.com/money/industries/oil/story/825252.html>

## Obama Administration Plans Thorough Environmental Review of Mountaintop Coal Mining Permits

Bloomberg News, 13:03 June 11, 2009

### Links

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***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](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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