



ENERGY ASSURANCE DAILY

Monday Evening, June 25, 2012

Major Developments

Update: Over 600,000 b/d of Oil Production, 1.56 Bcf/d of Natural Gas Production in the Gulf of Mexico Shut-In June 25 Due to Tropical Storm Debby

U.S. Gulf of Mexico offshore oil and gas producers worked to restore normal operations today after evacuating platforms and rigs in the path of Tropical Storm Debby over the weekend. The U.S. National Hurricane Center reported this afternoon that the storm is moving slowly northeastward, away from offshore production facilities in the Gulf. Reports submitted to the Bureau of Safety and Environmental Enforcement (BSEE) as of 11:30 AM CDT today indicate that approximately 608,025 b/d (44.1 percent) of the current daily oil production in the Gulf of Mexico has been shut-in due to the storm. It is also estimated that approximately 1.56 Bcf/d (34.8 percent) of the current daily natural gas production in the Gulf has been shut-in. ExxonMobil Corp. said on Sunday that it had evacuated non-essential offshore workers and shut-in 1,000 b/d of oil production and 7 MMcf/d of natural gas output. BP Plc had shut-in all of its production by Sunday. ConocoPhillips on Sunday shut its Magnolia natural gas platform, shutting in approximately 4,000 barrels of oil equivalent per day and evacuating all its workers there. Anadarko halted production at its Neptune, Independence Hub, Constitution, and Marco Polo facilities in the eastern and central Gulf of Mexico and evacuated all employees from its platforms. BHP Billiton Ltd. on Friday shut the Neptune and Shenzi platforms, which can together produce 150,000 b/d of oil and 100 MMcf/d of gas. Royal Dutch Shell Plc said Monday that it was restarting shut-in production and re-staffing Gulf of Mexico oil and gas platforms; the company hoped to restore normal operations across the Gulf by the end of the day Tuesday.

Reuters, 10:15 June 25, 2012

Reuters, 10:45 June 25, 2012

<http://www.bsee.gov/BSEE-Newsroom/Press-Releases/2012/Press06252012.aspx>

<http://www.nhc.noaa.gov/#DEBBY>

<http://www.reuters.com/article/2012/06/25/storm-debby-exxon-idUSL2E8HP0QI20120625?feedType=RSS&feedName=rbssEnergyNews&rpc=43>

<http://www.bloomberg.com/news/2012-06-24/tropical-storm-curtails-gulf-of-mexico-energy-output.html?cmpid=yhoo>

Louisiana Offshore Oil Port Restarting Marine Operations after Closing over Weekend Due to Tropical Storm Debby

The Louisiana Offshore Oil Port (LOOP) stopped operating on Sunday due to rough sea conditions at its offloading site about 20 miles south of the Louisiana coast. As of 8:30 AM CDT today, LOOP reported it was in the process of restarting its marine operations, and it expected tanker offloadings to resume this afternoon. Through the bad weather, LOOP continued to deliver crude oil to refineries from onshore storage facilities.

<http://www.loopllc.com/Announcements.aspx>

Tropical Storm Debby Cuts Power to 151,900 Utility Customers in Florida June 24–25

Tropical Storm Debby has delivered heavy rainfall, powerful winds, and isolated tornadoes to the Florida Gulf Coastline since Sunday, knocking down power lines and cutting power to hundreds of thousands of utility customers. Progress Energy Florida was hit hardest, reporting 80,000 customer outages at the peak of the storm. As of 3:30 PM EDT, the utility reported nearly 20,000 customers remained without power. In a press release this morning the utility said its crews have restored more than 140,500 customers since the first effects of the storm began on Sunday. The company expects additional outages over the next several days as the storm is expected to make landfall along the Florida coast later this week.

Florida Customer Power Outages			
June 24–25			
Electric Utility	State	Peak	Latest Reported
Progress Energy Florida	FL	80,000	19,838
Tampa Electric Co. (TEPCO)	FL	20,000	8,500
Lee County Electric (LCEC)	FL	18,000	500
Florida Power & Light (FPL)	FL	16,650	16,200
City of Tallahassee	FL	14,550	230
Withlacoochee River Electric Cooperative	FL	2,000	150
JEA	FL	700	447
TOTAL*		151,900	45,865

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

Sources:

<https://www.progress-energy.com/app/outagemaps/florida.aspx>

<https://www.progress-energy.com/company/media-room/news-archive/press-release.page?title=Progress+Energy+Florida+battles+Tropical+Storm+Debby&pubdate=06-25-2012>

<http://www.tampaelectric.com/outagemap/>

http://www.abcactionnews.com/dpp/news/region_tampa/about-20000-teco-customers-without-power

<http://www.fplmaps.com/>

<http://www.heraldtribune.com/article/20120625/BREAKING/120629772>

<http://www.lcec.net/outage/>

http://www.wrec.net/storm_information.php

https://jea.com/Outage_Info.aspx

<http://www.news-press.com/article/20120624/MARCONEWS/120624002/Weather-sets-LCEC-repairs-back-18-000-without-power-again-Marco-Island?odyssey=tab%7Ctopnews%7Ctext%7CHome>

<http://www2.tbo.com/news/breaking-news/2012/jun/25/9/flooding-concerns-as-debby-batters-tampa-region-ar-420074/>

<http://www.talgov.com/you/news/june.cfm?src=25>

Electricity

Storm Knocks Out Power to 45,000 b/d PEPCO Customers in Maryland June 22

Potomac Electric Power Co. (Pepco) restored power to 45,000 customers in Prince George's County and Montgomery County, Maryland over the weekend after a violent storm struck Friday, knocking over trees and causing damage.

<http://www.wtop.com/41/2915348/Pepco-Full-restoration-expected-Monday>

<http://www.pepco.com/welcome/news/releases/archives/2012/article.aspx?cid=2041>

Strong Storms Cut Power to 37,000 Connecticut Light & Power Customers June 22

Strong storms toppled trees in central Connecticut Friday afternoon, cutting power to 37,000 Connecticut Light & Power customers. The utility had restored power to all but 3,000 customers by Saturday morning, and it expected to fully restore power by Saturday night.

<http://www1.whdh.com/news/articles/local/12007818004549/lingering-outages-reported-after-conn-storms/>

DTE's 1,089 MW Fermi Nuclear Unit 2 in Michigan Reduced to 24 Percent by June 25

On the morning of June 24 the unit was operating at full power.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2012/>

Update: FirstEnergy's 1,235 MW Perry Nuclear Unit 1 in Ohio Ramped Up to 99 Percent by June 23

On the morning of June 22 the unit was operating at 75 percent.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2012/>

TMPA Reports Baghouse Fire at Its 480 MW Gibbons Creek Steam Electric Station in Texas June 23

Texas Municipal Power Authority (TMPA) reported a fire broke out at its Gibbons Creek Steam Electric Station Saturday afternoon, according to a filing with state regulators. A fire alarm sounded on the rail car dumper as operators began unloading a coal train. Workers observed puffs of smoke from the baghouse, and discovered significant damage to all of the bags. Permanent water sprinklers on the baghouse activated and extinguished the fire quickly. Dust suppressant sprays will be used during rail car unloads until the baghouse is repaired.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=170179>

Calpine's 604 MW Otay Mesa Gas-Fired Power Plant in California Shuts by June 23

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201206231515.html>

Update: Cabrillo Power's 104 MW Encina Gas-Fired Unit 2 in California Returns to Service by June 22

The unit returned from an unplanned outage that began by June 17.

<http://content.caiso.com/unitstatus/data/unitstatus201206221515.html>

Update: NextEra Buys Solar Trust's 1,000 MW Blythe Solar Power Project in California

NextEra Energy Inc. was the top bidder for rights to complete the 1,000 MW Blythe solar project in Riverside County, California in a June 21 auction for the assets of bankrupt Solar Trust of America, LLC, according to an attorney representing creditors. A hearing to confirm the sale is scheduled for June 27.

<http://www.bloomberg.com/news/2012-06-22/nextera-wins-auction-for-world-s-biggest-solar-project.html?cmpid=yhoo>

Petroleum

Equipment Malfunction Shuts HCU, Leads to Flaring at Motiva's 600,000 b/d Port Arthur, Texas Refinery June 23

Motiva Enterprises reported its new 75,000 b/d hydrocracking unit (HCU) No. 2 was shut Saturday morning after a level trip in the high pressure hydrogen sulfide absorber led to a trip on the recycle gas compressor, resulting in excess pressure in the unit and flaring from the HCU-2 flare, according to a filing with state regulators. Operators were working to depressurize and stabilize the unit at the time of the filing.

Reuters, 17:49 June 24, 2012

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=170170>

Settling Converter Trips, Leads to Flaring at ExxonMobil's 344,500 b/d Beaumont, Texas Refinery June 22

ExxonMobil Corp. reported that nitric oxide was releasing from a high-pressure flare due to a trip in the settling converter at its Beaumont refinery Friday night, according to a filing with the U.S. National Response Center. Operators were working to restart the converter at the time of the filing.

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1015511

Equipment Failure Leads to Emissions at Valero's 142,000 b/d Corpus Christi, Texas Refinery June 23

Valero reported 10 pounds of benzene and 100 pounds of unspecified volatile organic compounds released due to equipment failure at its Corpus Christi refinery overnight on Saturday, according to a filing with the U.S. National Response Center. Operators were working to repair the equipment at the time of the filing.

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1015441

Natural Gas

U.S. Natural Gas Rig Count Hits 13-Year Low as Low Prices Continue Decline in Dry Gas Drilling, Planned Output Cuts

The number of natural gas rigs operating in the United States hit a 13-year low last week, according to a June 22 report from oilfield services company Baker Hughes. The rig count last week was 541, the lowest it has been since August 1999, when there were 531 gas rigs operating. The number of gas rigs is down 42 percent since peaking last year at 936 in October. Steady declines in dry gas drilling and planned output cuts so far, which are estimated to total about 1 Bcf/d, have not reduced supplies significantly, however. Most analysts do not expect any major slowdown in gas output until later this year.

Reuters, 13:56 June 22, 2012

http://investor.shareholder.com/bhi/rig_counts/rc_index.cfm?showpage=na

Obama Administration Seen Deciding on Permits for LNG Export Terminals by Year-End – White House Energy Official

<http://www.bloomberg.com/news/2012-06-22/obama-seen-ruling-on-lng-export-permits-this-year-barclays-says.html?cmpid=yhoo>

Regency Reports AGI Compressor Shutdown, Inspection at Its 290 MMcf/d Waha Gas Plant in Texas June 23

Regency Energy Partners reported an acid gas injector (AGI) compressor shut down at its Waha gas plant Saturday night after a reduction in inlet gas volume caused low suction pressure on the compressor, according to a filing with the Texas Commission on Environmental Quality (TCEQ). Operators made adjustments and restarted the compressor. In a second TCEQ filing, Regency reported it was shutting an AGI compressor for inspection. Depending on the results of the inspection, the AGI system could be down for up to 10 weeks. During this time the acid gas flare will be used, the filing said.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=170178>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=170150>

Engine Shutdown Leads to Flaring at Southern Union's 140 MMcf/d Keystone Gas Plant in Texas June 24

Southern Union Gas Services reported it was flaring low-pressure gas at its Keystone gas plant Sunday morning after Engine No. 23 Cat went down, according to a filing with the Texas Commission on Environmental Quality.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=170174>

Other News

Nothing to report

Union Workers' Strike Shuts Most Production from Two Oil & Gas Fields Offshore Norway June 24

About 700 platform workers belonging to the Federation of Oil Workers' Trade Unions went on strike Sunday after negotiations with the Norwegian Oil Industry Association broke down over a pension issue. The strike has shut down most of the production from two Statoil-operated fields offshore Norway, the Heidrun and Oseberg fields, which together produce about 150,000 b/d of oil and about 4 percent of Norway's total gas output. Gas system operator Gassco said that output could fall by 29 million cubic meters of gas per day from the Oseberg field due to the strike. The BP-ESS operated Skarv field will also be affected, as plans to start production on the field in autumn will be delayed. Norwegian exports have not been affected so far because producers are compensating by increasing output at other fields.

<http://www.reuters.com/article/2012/06/25/norway-oil-strike-idUSL6E8HP0CO20120625?feedType=RSS&feedName=utilitiesSector&rpc=43>
http://www.rigzone.com/news/article.asp?a_id=118835

Energy Prices

U.S. Oil and Gas Prices			
June 25, 2012			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	77.94	83.29	90.33
NATURAL GAS Henry Hub \$/Million Btu	2.50	2.44	4.31

Source: Reuters

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 and 1:00 PM Eastern Time every Wednesday.

Natural Gas Weekly Update from EIA

<http://www.eia.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM Eastern Time every Thursday.

ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/ead.aspx>

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