



ENERGY ASSURANCE DAILY

Friday Evening, July 26, 2013

Electricity

Update: 25,000 PSO Customers Remain Without Power in Tulsa, Oklahoma July 26 After Overnight Storms Cause 6,000 New Outages

Public Service Company of Oklahoma (PSO) continues its large-scale response to restore electric service to customers in the wake of significant power outages caused by severe thunderstorms packing 80 mph winds that struck the Tulsa metropolitan area in the early morning hours of Wednesday, July 24. As of Friday afternoon, PSO outages in Tulsa number approximately 25,000, which is the same number as in PSO's Thursday night update. This is due to the overnight storms, which resulted in approximately 6,000 new customer outages that roughly offset other restoration progress made overnight. Despite this, overall restoration continues on PSO's revised schedule, which estimates that power will be restored to 95% of all customers affected in the storm by 5 p.m., Saturday, July 27. At the outage peak, PSO estimates that nearly 100,000 customers were without power. More than 1,000 workers from other utilities in nine states continue to assist PSO in the Tulsa area.

<https://www.psoklahoma.com/outages/details.aspx?stormName=July%2023-24%20Storm>

Calpine to Begin Commercial Operation at 429 MW Russell City Energy Center and 309 MW Los Esteros Critical Energy Facility in California

Calpine Corp said Thursday that its 429 MW Russell City Energy Center near Hayward, California and 309 MW Los Esteros Critical Energy Facility near San Jose, California will begin commercial operation in a few days to replace lost nuclear output and to help meet renewable energy goals. The California power grid expects about 2,000 MW of new gas-fired generation to come online this year, according to the California power market monitor's report. New generation will help strengthen the state's power supply following Edison International's decision to shut the San Onofre nuclear station in southern California.

<http://phx.corporate-ir.net/phoenix.zhtml?c=103361&p=irol-newsArticle&ID=1840918&highlight=>

Petroleum

Enbridge Announces Plan to Build 400,000 b/d Woodland Pipeline Extension in Canada July 25

Enbridge Inc announced on Thursday that it is proceeding with the construction of the Woodland Pipeline Extension Project. The 228-mile, 36-inch Woodland Pipeline Extension will have an initial capacity of 400,000 b/d with the ability to be expanded to approximately 800,000 b/d dependent upon crude viscosity. The project will extend the Woodland Pipeline south from Enbridge's Cheecham Terminal to its Edmonton Terminal to connect up with refineries and export pipelines in the Edmonton area. The Woodland Pipeline Extension is being constructed to serve the Imperial Oil and ExxonMobil Kearl oil sands project and its recently announced expansion. Enbridge brought into service the Woodland Pipeline between the Kearl oil sands project and the Enbridge Cheecham terminal in the fall of 2012.

<http://www.enbridge.com/MediaCentre/News.aspx?yearTab=en2013&id=1744161>

Update: Crude Unit Restarted at HollyFrontier's 125,000 b/d Tulsa, Oklahoma Refinery July 25

HollyFrontier has restarted its crude unit and other associated units at its Tulsa, Oklahoma refinery. The West plant has returned to normal operating levels after shutting down Wednesday due a power outage.

Reuters, 13:22 July 25, 2013

Flaring Reported at Tesoro's 265,000 b/d Carson, California Refinery July 26

Tesoro Corp reported unplanned flaring due to a breakdown at its Los Angeles-area refinery in Carson, California, according to a filing with state pollution regulators.

Reuters, 6:09 July 26, 2013

Natural Gas

Consumer Energy Dedicates New Natural Gas System Upgrade at Ray Compressor Station and Storage Field in Michigan July 26

Consumers Energy completed a \$175 million investment at its Ray Compressor Station and the associated storage field. Construction on the Ray project began in 2010 and concluded earlier this year. The project's main focus was the installation of five new engines that can produce 23,675 horsepower to drive their respective two-stage compressors so that natural gas can be compressed and stored underground for ultimate delivery to the transmission system and customers. The Ray storage field measures about 1,600 acres and is able to store up to 43 Bcf of natural gas in naturally-occurring porous rock formations underneath the ground.

<http://www.consumersenergy.com/News.aspx?id=6394&year=2013>

Enterprise Begins Open Season for Proposed Expansion of Panola NGL Pipeline System in Texas July 26

Enterprise Products Partners L.P. announced Friday the start of a binding open season to seek shipper support for a proposed expansion of the portion of its Panola Pipeline Company, LLC natural gas liquids (NGL) system between Carthage and Lufkin, Texas. The project is designed to support Haynesville and Cotton Valley oil and gas producers by providing enhanced access to the NGL fractionation complex in Mont Belvieu, Texas. Originating near Carthage in Panola County, the NGL pipeline system extends 181 miles. Depending on shipper response to the open season, the Panola expansion project would be designed to accommodate approximately 15,000 b/d of incremental capacity. The open commitment period will close on Friday, August 2, 2013

<http://phx.corporate-ir.net/phoenix.zhtml?c=80547&p=irol-newsArticle&ID=1841577&highlight>

AGI Compressor Shut at Regency's 290 MMcf/d Waha Gas Plant in Texas July 24

Regency Energy Partners reported the acid gas injector (AGI) compressor was shut down on high liquids volume/levels due to field pipeline activities affecting the inlet pressures. Maintenance technicians adjusted and reset a level switch and the AGI compressor reset and restarted. The amine system pressures lined out once inlet liquid levels tapered off.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=185931>

Power Failure Shuts Units at ExxonMobil's 65 MMcf/d Dollarhide Gas Plant in Texas July 24

A loss of instrument air was reported Thursday afternoon at ExxonMobil's Dollarhide gas plant when thunderstorms caused a power failure at the plant. After approximately nine hours, power was restored and the units were restarted.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=185927>

Other News

USDA Unveils Rule to Sell Surplus Sugar to Fuel Ethanol Makers July 26

The U.S. Department of Agriculture (USDA) published a rule on Friday that allows it to sell excess amounts of sugar at a loss to ethanol companies for making biofuels for cars and trucks. The "sugar-for-ethanol" program could go into effect in August or September depending on the amount of surplus.

Reuters, 11:15 July 26, 2013

International News

Update: Sudan Delays Shutdown of Oil Pipelines – Ethiopia

Sudan has postponed, for at least two weeks, the shutdown of pipelines carrying oil from South Sudan pending the outcome of an investigation, Ethiopia's Foreign Affairs ministry said. The African Union earlier this week began investigating Sudanese allegations that South Sudan is supporting anti-Khartoum rebels to prevent the production shutdown. Sudan had insisted South Sudan shut down production by August 7 over allegations of support for rebels that operate across their border.

http://www.swissinfo.ch/eng/news/international/Sudan_delays_shutdown_of_oil_pipelines_-_Ethiopia.html?cid=36550974

Energy Prices

U.S. Oil and Gas Prices			
July 26, 2013			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	104.56	108.08	89.65
NATURAL GAS Henry Hub \$/Million Btu	3.68	3.66	3.19

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 & 1:00 PM ET every Wednesday.

Natural Gas Weekly Update from EIA

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

Updated after 2:00 PM ET every Thursday.

ENERGY ASSURANCE DAILY

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

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