



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

# ENERGY ASSURANCE DAILY

Wednesday Evening, July 28, 2010

## *Major Developments*

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### **Update: BP Removes Storm Packer, Prepares to Insert Drill Pipe into Relief Well in Gulf of Mexico July 28**

BP removed the storm packer from the relief well at the site of the blown-out MC252 well in the Gulf of Mexico by July 28, and was preparing to insert a drill pipe into the hole, the company said on July 28. The storm packer was used to protect the relief well during Tropical Storm Bonnie. The blown-out MC252 well remained shut-in and pressure continued to slowly increase as of this morning, BP said. Separately, officials and media sources reported that the amount of oil on the water's surface was quickly decreasing. Scientists were working to determine the location of any spilled oil, where the oil will go, and the effect of the oil on the Gulf.

<http://www.bp.com/extendedsectiongenericarticle.do?categoryId=9034427&contentId=7063885>

<http://www.deepwaterhorizonresponse.com/go/doc/2931/830223/>

<http://www.deepwaterhorizonresponse.com/go/doc/2931/829279/>

<http://www.chron.com/disp/story.mpl/nation/7128276.html>

### **Update: Oil Sheen Stretches More than Six-Square Miles after July 27 Wellhead Spill in Barataria Bay, Louisiana**

The sheen in the Barataria Bay, Louisiana was covering more than six-square miles as of July 28, the U.S. Coast Guard said, one day after a dredge vessel collided with a wellhead, causing the wellhead to leak an unspecified amount of oil, natural gas and water. The wellhead was last owned by CEDYCO, but is classified as orphaned by the Louisiana Department of Natural Resources. Some 10,500 feet of containment boom and 3,000 feet of sorbent boom had been deployed by July 28, and over 150 response personnel and 31 boats had responded to the incident. A local councilman said the leak could be stopped by mid-afternoon today, July 28. It was not clear, as of latest reports, if the leak had been contained or was continuing.

<http://www.d8externalaffairs.com/go/doc/425/829407/>

<http://www.wwl.com/pages/7791060.php?contentType=4&contentId=6547192>

<http://www.neworleans.com/news/local-news/443356.html>

<http://www.fox8live.com/news/local/story/Efforts-under-way-to-cap-La-oil-leak/NNhNHGf7dEuvHuS4bbL92g.csp>

## *Electricity*

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### **Update: Fewer Than 32,000 Pepco Customers Remain Without Power in Washington D.C. and Maryland July 28**

Some 31,862 Pepco customers remained without power in Maryland and Washington, D.C. on July 28, the company reported, after weekend storms cut power to more than 865,000 customers across the U.S. Northeast and Mid-Atlantic. To see a full list of affected companies, please see yesterday's Energy Assurance Daily.

<http://www.pepco.com/home/emergency/maps/stormcenter/>

## **TVA's 1,155 MW Browns Ferry Nuclear Unit 1 in Alabama Ramped Up to 97 Percent by July 28**

Tennessee Valley Authority (TVA) reduced all three units at the Browns Ferry nuclear power plant to 50 percent by July 26, a plant spokesman said, as high heat led to concerns that the facility might violate state rules forbidding downstream river temperatures from surpassing 90 degrees. TVA returned Unit 1 to 97 percent power and Unit 2 to 81 percent power by July 28, according to the Nuclear Regulatory Commission (NRC). The NRC reported that on the morning of July 27 both units were operating at 50 percent. Unit 2 remained at 50 percent power, as of this morning.

[http://www.decaturdaily.com/detail/65259.html?content\\_source=&category\\_id=&search\\_filter=&event\\_mode=&event\\_ts\\_from=&list\\_type=&order\\_by=&order\\_sort=&content\\_class=&sub\\_type=stories&town\\_id=](http://www.decaturdaily.com/detail/65259.html?content_source=&category_id=&search_filter=&event_mode=&event_ts_from=&list_type=&order_by=&order_sort=&content_class=&sub_type=stories&town_id=)

Information also derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2010/>

## **Reliant's 741 MW Ormond Beach Gas-Fired Unit 1 in California Shut by July 27**

According to the California Independent System Operator, the unit reported an unplanned outage by July 27.

<http://www.caiso.com/unitstatus/data/unitstatus201007271515.html>

## **Update; SCE's 200 MW Eastwood Hydro Unit in California Returns to Service by July 27**

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

<http://www.caiso.com/unitstatus/data/unitstatus201007271515.html>

## **Energy Northwest's 1,107 MW Columbia Generating Station Nuclear Unit in Washington Reduced to 65 Percent by July 28**

The Nuclear Regulatory Commission reported that on the morning of July 27 the unit was operating at full power.

Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2010/>

## **Xcel to Shut 347 MW Harrington Coal-Fired Unit 1 in Texas July 28 – August 1**

Xcel expected to shut the unit “for minor maintenance items including tube leak repairs,” it said in a filing with state regulators. The company expected the outage to be short, according to the filing.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=142794>

## **Amid Heat, Xcel Cycles Air Conditioners for Interruptible Customers in Minnesota**

Xcel shut and restarted the central air conditioners of 340,000 interruptible customers in Minnesota on July 27 – 325,000 residential and 15,000 commercial users – as high heat led to increased electric demand, the company and a local news source said. The program, known as “Saver Switch,” allows the company to turn on and off air conditioners for certain customers – voluntary users who receive a discount for participation – in 15- to 20-minute segments. The program was in effect from 2 PM to 6 PM, a spokeswoman said. The company had not activated the plan since 2007.

[http://www.twincities.com/business/ci\\_15614157](http://www.twincities.com/business/ci_15614157)

### **Update: Enbridge Expects Shutdown to Last for Days after Rupture and Spill along 190,000 b/d, 30-Inch, Indiana-to-Ontario Lakehead System Line 6B**

Enbridge does not expect to restart its 190,000 b/d, 30-inch, Indiana-to-Ontario Lakehead System Line 6B for days, its chief executive said on July 28. Based on initial estimates, the line spilled about 19,500 barrels of oil into a creek near the company's Marshall, Michigan pump station on July 26. The affected system is part of the company's 1,900-mile Lakehead System, which transports about 1.62 million b/d of oil from Western Canada to the United States. Multiple associated refineries were either tapping oil stockpiles or receiving crude from other pipelines, Reuters reported. Traders said the incident had not significantly impacted oil markets, as of July 28. The company was using booms, oil skimmers, and vacuum trucks in an effort to contain the spill, it said on July 27.

[http://www.enbridgepartners.com/Reports/reportif\\_partners.aspx?pl=0&rptSite=5&rpt=%2fphoenix.zhtml%3fc%3d63707%26p%3dirol-news%26nyo%3d0&tmi=475&tmt=5](http://www.enbridgepartners.com/Reports/reportif_partners.aspx?pl=0&rptSite=5&rpt=%2fphoenix.zhtml%3fc%3d63707%26p%3dirol-news%26nyo%3d0&tmi=475&tmt=5)

<http://www.enbridgepartners.com/EEP/Main.aspx?id=210&tmi=1824&tmt=5>

[http://www.enbridgepartners.com/Reports/reportif\\_partners.aspx?pl=0&rptSite=5&rpt=%2fphoenix.zhtml%3fc%3d63707%26p%3dirol-news%26nyo%3d0&tmi=475&tmt=5](http://www.enbridgepartners.com/Reports/reportif_partners.aspx?pl=0&rptSite=5&rpt=%2fphoenix.zhtml%3fc%3d63707%26p%3dirol-news%26nyo%3d0&tmi=475&tmt=5)

<http://www.michigan.gov/gov/0,1607,7-168--241301--,00.html>

<http://af.reuters.com/article/energyOilNews/idAFN2623027120100727?pageNumber=2&virtualBrandChannel=0>

Reuters, 12:48 July 28, 2010

Reuters, 11:59 July 28, 2010

### **Murphy Oil Returns Unspecified Unit to Service at 34,300 b/d Superior, Wisconsin Refinery by July 28**

The unit shut due to a storm-induced power outage, according to a regulatory filing.

<http://af.reuters.com/article/energyOilNews/idAFWNAB030520100728>

### **Fire and Explosion Force Shut Crude Unit at Frontier's 52,000 b/d Cheyenne, Wyoming Refinery July 28**

A crude unit caught fire and triggered an explosion at Frontier's 52,000 b/d Cheyenne, Wyoming refinery on July 28, but firefighters extinguished the blaze within about one hour. The crude unit was offline and the rest of the refinery running at minimum rates, a company official said. There were no injuries, a refinery official said.

[http://trib.com/news/state-and-regional/article\\_f4d1d96e-9a4d-11df-85a7-001cc4c03286.html](http://trib.com/news/state-and-regional/article_f4d1d96e-9a4d-11df-85a7-001cc4c03286.html)

[http://www.wyomingnews.com/articles/2010/07/28/breaking\\_news/01break\\_07-28-10.txt](http://www.wyomingnews.com/articles/2010/07/28/breaking_news/01break_07-28-10.txt)

### **Magellan Plans 1.5 Million Barrel Product Storage Expansion at Marine Terminal in Texas**

Magellan expects to construct 1.5 million barrels of refined petroleum products storage capacity at its Galena Park, Texas marine terminal, it said on July 27. The company also plans to increase the capacity at its existing terminal docks. It aims to complete the projects in late 2012.

[http://www.magellanlp.com/news/2010/20100727\\_15.htm](http://www.magellanlp.com/news/2010/20100727_15.htm)

### **Sources Conflict as to Cause of Explosion on Japanese Oil Tanker in Strait of Hormuz**

An explosion struck a Japanese oil tanker as it delivered 2 million barrels of oil through the Strait of Hormuz by July 28, Voice of America News and multiple officials reported. The vessel was en route from the United Arab Emirates to Japan at the time of the incident, according to VOA. Sources differed as to the cause. Port officials in the United Arab Emirates said a large, earthquake-induced wave was at fault, but the ship's owner said attackers were likely to blame. The United States Navy's Fifth Fleet, meanwhile, said the cause was uncertain. The Strait of Hormuz was open for shipping, as of latest reports

<http://www1.voanews.com/english/news/Blast-Damages-Japanese-Tanker-Near-Iran-Oman-99458299.html>

### **Explosion Leads to Shutdown of Energy Transfer-Owned, 36-Inch Natural Gas Pipeline in Texas July 28**

Workers shut an Energy Transfer Pipeline Company-owned, 36-inch natural gas pipeline north of Sealy, Texas after the line ruptured and exploded on July 28, a local news source reported. The resultant gas leak had been contained, as of latest reports, and a local Sheriff's Office spokesman said there had not been any reported injuries.

<http://www.chron.com/dispatch/story.mpl/metropolitan/7128207.html>

[http://www.sealynews.com/articles/2010/07/28/breaking\\_news/breaking01.txt](http://www.sealynews.com/articles/2010/07/28/breaking_news/breaking01.txt)

### **Cheyenne Plains Gas Pipeline Company Cancels Force Majeure at Cheyenne Compressor Station in Wyoming July 27**

Cheyenne Plains Gas Pipeline Company repaired a compressor vibration issue and cancelled a Force Majeure, effective July 27, at its Cheyenne Compressor Station in Wyoming, it said in an online notice. The company expected to return the affected station to the 809.0 MMcf/d level, according to the notice.

<http://ebb.cigco.com/ebbCIG/Notices/NoticeView.asp?sPipelineCode=CP&sSubCategory=Critical&sNoticeId=1131>

### **Update: Enterprise Completes 1 Bcf/d Trinity River Lateral Natural Gas Pipeline in Texas by July 28**

Enterprise Products Partners L.P. completed construction of the 30-inch, 31-mile, southernmost segment of its Trinity River Lateral natural gas pipeline in Texas, it said on July 28. The company completed the northern portion of the pipeline – about nine miles of 36-inch pipeline and a four-mile, 20-inch lateral – in September of 2009.

<http://phx.corporate-ir.net/phoenix.zhtml?c=80547&p=irol-newsArticle&ID=1453120&highlight=>

### **ONEOK Plans 15,000 b/d Expansion along Oklahoma-to-Texas Sterling I NGL Pipeline**

ONEOK Partners, L.P. plans to install seven pump stations along its existing Oklahoma-to-Texas Sterling I natural gas liquids (NGL) distribution pipeline, increasing the line's capacity by 15,000 b/d, it said on July 27. The company expects to complete the project in the second half of 2011. The line runs from the Trinity River Basin north of Arlington, Texas to an interconnect with the partnership's 173-mile Sherman Extension pipeline near Justin, Texas. It is expected to provide producers in Tarrant and Denton Counties with as much as 1 Bcf/d of takeaway capacity.

<http://ir.oneok.com/ReleaseDetail.cfm?ReleaseID=492894&ReleaseType=OKS Pipeline Projects>

## ***Other News***

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### **Update: Traffic to Resume along Lower Mississippi River after Barge Collision and Chemical Spill near Osceola, Arkansas July 27-28**

Commercial traffic was scheduled to resume along the Mississippi River near mile marker 775.5 on July 27, one day after a barge collision spilled about 600 barrels of the chemical acrylonitrile, the U.S. Coast Guard said.

Southbound vessels were expected to traverse the area first, followed by northbound traffic. About 39 vessels were waiting to enter the area, as of July 27. A U.S. Coast Guard spokesman, however, said "no vessel traffic issues" this morning, July 28, but it remained unclear when the river would resume normal traffic patterns. A safety zone was established from mile marker 774 to mile marker 776 along the Hatchie River inlet. Barring an extended shutdown, oil traders did not expect the disruption to impact oil deliveries.

<http://www.d8externalaffairs.com/go/doc/425/829343/>

Reuters, 11:32 July 28, 2010

### **Minnesota Ethanol Production to Reach 1.1 Billion Gallons in 2010, from 862 Million Gallons in 2009: State Department of Agriculture**

Minnesota's ethanol production rose to 862 million gallons in 2009, up from 550 million gallons five years ago, and that total is expected to rise to 1.1 billion gallons this year, the Minnesota Department of Agriculture said on July 22.

<http://www.mda.state.mn.us/en/news/releases/2010/nr-2010-07-22-ethanol.aspx>

## **DOE, DOD Announce Agreement to Enhance Cooperation on Clean Energy and Strengthen Energy Security July 27**

U.S. Deputy Secretary of Energy Daniel Poneman announced a Memorandum of Understanding (MOU) between the U.S. Department of Energy and the U.S. Department of Defense to accelerate clean energy innovation and enhance national energy security. The MOU, signed by Deputy Secretary Poneman and U.S. Deputy Secretary of Defense William Lynn, covers efforts in the areas of energy efficiency, renewable energy, water efficiency, fossil fuels, alternative fuels, efficient transportation technologies and fueling infrastructure, grid security, smart grid, storage, waste-to-energy, basic science research, mobile/deployable power, small modular reactor nuclear energy, and related areas.

<http://www.energy.gov/news/9278.htm>

## **Update: Federal Judge Orders Interior Department to Reconsider Plans for Nuclear Waste Storage Facility in Utah**

A federal judge called the Department of Interior's rejection of a proposed nuclear waste storage facility in Utah "arbitrary and capricious," and directed the department to reassess requests from the project's supporters.

[http://www.upi.com/Top\\_News/US/2010/07/27/Judge-opens-way-for-nuclear-waste-site/UPI-20971280253352/](http://www.upi.com/Top_News/US/2010/07/27/Judge-opens-way-for-nuclear-waste-site/UPI-20971280253352/)

## ***Energy Prices***

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U.S. Oil and Gas Prices July 28, 2010			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	76.73	76.98	66.88
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	4.72	4.59	3.46

Source: Reuters

## ***Energy Notes***

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### **Fire-Damaged Power Lines Cut Electricity to More than 13,000 SMUD Customers in California July 27 – Company Reports Only Scattered Outages July 28**

<http://www.kcra.com/r/24417769/detail.html>

<http://www.smud.org/en/power/Pages/index.aspx>

### **Update: DOE Finalizes \$117 Million Loan Guarantee for Kahuku Wind Power's Proposed 30 MW Wind Farm in Hawaii**

<http://www.energy.gov/news/9275.htm>

### **APS Completes Decommissioning of 4 MW Childs and Irving Hydroelectric Power Plants in Arizona**

[http://www.aps.com/main/news/releases/release\\_609.html](http://www.aps.com/main/news/releases/release_609.html)

### **Multiple Agencies Plan Emergency Response Drill at Xcel's Prairie Island Nuclear Power Plant in Minnesota July 27**

[http://www.startribune.com/local/99238739.html?elr=KArksi8cyaiUjc7YUId3aPc:\\_Yyc:aU7DYaGEP7vDEh7P:DiUs](http://www.startribune.com/local/99238739.html?elr=KArksi8cyaiUjc7YUId3aPc:_Yyc:aU7DYaGEP7vDEh7P:DiUs)

### **NRC Reports "Safety Culture" Issues at FirstEnergy's Perry and Davis-Besse Nuclear Power Plants in Ohio**

[http://www.cleveland.com/business/index.ssf/2010/07/perry\\_davis-besse\\_nuclear\\_powe.html](http://www.cleveland.com/business/index.ssf/2010/07/perry_davis-besse_nuclear_powe.html)

**Update: Texas Attorney General Files Suit against EPA's Rejection of State's Flexible Permits Program**

[http://thegovmonitor.com/world\\_news/united\\_states/texas-files-lawsuit-against-epa-over-clean-air-initiatives-36139.html](http://thegovmonitor.com/world_news/united_states/texas-files-lawsuit-against-epa-over-clean-air-initiatives-36139.html)

**Soot Coal-Fired Power Facilities, Other Sources Plays Larger Role in Global Warming than Previously Believed: Stanford Researchers**

<http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2010/07/27/MN5H1EK6BV.DTL>

**Update: Detroit Edison Seeks Wind Turbine Supplier for 100 to 200 MW of Wind Farms in Michigan**

<http://dteenergy.mediaroom.com/index.php?s=43&item=532>

**Engine Shuts, Restart at Holt Ranch Booster Station in Texas July 27**

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=142830>

**Engine Shuts, Restarts at Andrews Booster Station in Texas July 27**

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=142832>

**Terasen Gas Plans 26,000 Gigajoules/Year Biogas Upgrading Plant at Landfill in British Columbia, Canada**

<http://www.prnewswire.com/news-releases/xebec-announces-significant-contract-with-major-western-canadian-energy-utility-99451399.html>

## **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>

Please direct comments and questions to: [ead@oe.netl.doe.gov](mailto:ead@oe.netl.doe.gov)