



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

ENERGY ASSURANCE DAILY

Friday Evening, July 29, 2011

Major Developments

Update: BOEMRE Estimates Tropical Storm Don Has Shut In 11.9 Percent of U.S. Gulf of Mexico Oil Production, 6.2 Percent of Natural Gas Production July 29

Tropical Storm Don is due to make landfall late July 29 or early July 30, according to the National Hurricane Center. It is unlikely that it will achieve hurricane status. According to the Bureau of Ocean Energy Management, Regulation, and Enforcement (BOEMRE), companies have shut in 166,554 b/d of oil production and 327 MMcf/d of natural gas production in the Gulf of Mexico. Personnel have been evacuated from 56 production platforms and four rigs. BOEMRE's data reflect reports from 21 different companies as of 11:30 a.m. CDT today. News reports also indicate the following impacts:

- BP has begun to send its workers back to its production platforms.
- Enbridge decided to evacuate its West Cameron 509 platform and is allowing gas to "free-flow to shore."
- Northern Natural Gas said it is shutting in its Matagorda Offshore Pipeline System after declaring force majeure.
- Apache reported that it has curtailed production at Matagorda Island blocks 685 and 703 because of pipeline shut-ins. The company said as of 2 p.m. CDT that it has curtailed 49 MMcf/d of natural gas and 2,000 b/d.

<http://www.boemre.gov/ooc/press/2011/press0729.htm>

<http://www.hydrocarbonprocessing.com/Article/2875633/Latest-News/Tropical-Storm-Don-shuts-in-12-of-Gulf-oil-output.html>

http://www.rigzone.com/news/article.asp?a_id=109607

http://www.northernnaturalgas.com/_layouts/NoticePopup.aspx?ID=20439

<http://www.bloomberg.com/news/2011-07-29/tropical-storm-don-to-land-in-texas-within-18-hours-u-s-department-says.html>

<http://investor.apachecorp.com/releasedetail.cfm?ReleaseID=595274>

Electricity

Update: Thunderstorms Knock Out Power to another 53,000 ComEd Customers in Illinois July 28-29

According to a press release, Commonwealth Edison (ComEd) has restored power to 99 percent of the 160,000 customers who were affected by the severe thunderstorm that swept through its northern Illinois service territory July 27, with 5,000 still without electricity. Over 53,000 customers were affected by another line of thunderstorms that moved through northern Illinois July 28. The company reports that 11,000 of these customers remain out of service. Virtually all customers impacted by Wednesday night's storms will be restored by midnight on Friday. Restoration may not occur until Saturday for a limited number of customers in more heavily damaged areas.

<https://www.comed.com/sites/newsroom/Pages/stormcenter.aspx>

About 40,000 Demco and Entergy Customers Lose Power in Louisiana July 29

Demco reported 30,000 customers lost power this morning, while Entergy reported 10,000 without power. As of latest reports, power was restored to all customers. Entergy officials said that its outage was caused by a transmission line problem; Demco did not report a cause for its outage.

<http://www.wafb.com/story/15172371/massive-outage-leaves-thousands-in-the-dark>

Exelon's 619 MW Oyster Creek Nuclear Unit in New Jersey Reduced to 64 Percent by July 29

The Nuclear Regulatory Commission reported that on the morning of July 28 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/2011/>

AEP's 675 MW Pirkey Coal-Fired Power Plant in Texas Shut July 29, 2011

The unit was shut to repair a boiler tube leak.

Reuters, 01:12 July 29, 2011

Reuters, 07:32 July 29, 2011

<http://www11.tceq.state.tx.us/oce/eeer/index.cfm?fuseaction=main.getDetails&target=157309>

NRG's 831 MW Limestone Coal-Fired Unit 1 in Texas Shut July 28

The unit was shut to do repairs on a boiler tube leak and a condenser tube leak.

Reuters, 17:09 July 28, 2011

Reuters, 07:32 July 29, 2011

<http://www11.tceq.state.tx.us/oce/eeer/index.cfm?fuseaction=main.getDetails&target=157376>

Multiple Companies Break Ground on 800 MW CPV Sentinel Energy Center Gas-Fired Power Plant near Desert Hot Springs, California by July 28

The plant, which is co-owned by Competitive Power Ventures (CPV), GE Energy Financial Services, and Diamond Generating Corporation (DGC), is expected to be in service in the summer of 2013.

http://www.cpv.com/press_detail.php?p_id=43

<http://af.reuters.com/article/commoditiesNews/idAFN1E76S0YS20110729>

Exelon Reports Control Room Temperature Recorder Inoperable at Quad Cities Nuclear Unit in Illinois July 28

According to a filing with the Nuclear Regulatory Commission (NRC), the main control room recorder failed. The recorder functions to remotely monitor plant area temperatures, including eight areas used in accident classification.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2011/20110729en.html>

Petroleum

Update: PHMSA Has Done No Studies Related to Tar Sands Spills

According to Congressional testimony from the director of the Pipeline and Hazardous Material Safety Administration (PHMSA) last month, the PHMSA has done no studies on tar sands, nor has it assessed existing regulations to determine whether they address the risks of diluted bitumen. The director added that existing regulations are not designed to address tar sands. The PHMSA would be responsible for overseeing TransCanada's proposed Keystone XL pipeline, which would deliver crude from tar sands in Alberta to Texas.

<http://michiganmessenger.com/51296/regulators-tar-sands-pipelines-not-studied>

U.S. Oil Demand Drops 2.46 Percent Year-Over-Year in May: EIA

The U.S. Energy Information Administration (EIA) indicated on July 28 that oil demand in May was much lower than expected. Demand dropped 464,000 b/d from a year earlier, a 2.46 percent drop. Total demand in May 2011 was 18.363 million b/d.

<http://af.reuters.com/article/energyOilNews/idAFN1E76R1C920110728>

Update: RHU-300 Unit Resuming Normal Operations at BP's 406,570 b/d Texas City, Texas Refinery July 29

According to previous reports, the residual hydrotreating unit (RHU) 300 train was shut to repair a leak July 18. The unit is one of three such unit trains at the refinery. According to a filing with state regulators, the startup will take place from July 29 to August 4.

Reuters, 01:07 July 29, 2011

DJN, 09:24 July 29, 2011

<http://www11.tceq.state.tx.us/oce/eeer/index.cfm?fuseaction=main.getDetails&target=157360>

BP Reports Ultracracker Snag Due to Instrumentation Malfunction at 406,570 b/d Texas City, Texas Refinery July 28

The incident led to flaring. An investigation into the incident will be conducted.

Reuters, 12:32 July 29, 2011

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=157400>

ConocoPhillips Reports Pipeline Leak at WRB Refining's 146,000 b/d Borger, Texas Refinery July 28-29

According to a filing with state regulators, the pipeline leak led to a butane release. Portable flares were used to depressurize the line. The refinery is a joint venture between ConocoPhillips and Cenovus Energy.

Reuters, 12:28 July 29, 2011

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=157399>

North Atlantic Refining's 115,000 b/d St. John's, Newfoundland and Labrador Refinery Restarting July 29

The refinery was shut for required maintenance in May. Plans originally called for the refinery to return from the outage in mid-July, but the company extended the outage.

DJN, 11:49 July 29, 2011

Natural Gas

Citing Potential to Cause Earthquakes, Arkansas Oil and Gas Commission Bans New Wells for the Disposal of Natural Gas Drilling Fluids in Parts of Arkansas July 27

The commission voted unanimously to place a moratorium on new disposal wells for hydraulic fracturing (fracking) fluids in a 1,150 square mile area in the Fayetteville Shale north of Conway, Arkansas – the region has experienced hundreds of earthquakes. The moratorium only impacts disposal wells, not production wells. Companies will be required to truck used fluids to other locations for disposal.

http://www.washingtonpost.com/politics/federal-government/ark-commission-votes-to-close-gas-drilling-well-ban-others-north-of-where-earthquakes-struck/2011/07/27/gIQA5brRdI_story.html

Eagle Rock Energy Partners Plans to Install 60 MMcf/d Woodall Natural Gas Plant Processing Plant in Hemphill County, Texas July 27

The cryogenic processing facility and its associated infrastructure are due to be completed in the first quarter of 2012. In addition to the Woodall Plant, Eagle Rock intends to build a new 6-inch natural gas liquid (NGL) pipeline and a compressor station. The partnership will build the facility to accommodate potential expansions.

<http://ir.eaglerockenergy.com/phoenix.zhtml?c=200871&p=RssLanding&cat=news&id=1589826>

Pembina Pipeline Plans 50 MMcf/d Cutbank Expansion at Musreau Gas Plant in Alberta July 27

The Musreau gas plant is one of three gas plants at the Cutbank Complex. The company plans to undertake the expansion at the complex due to high plant utilization and strong customer demand. On completion of the Cutbank Expansion, the complex will have total capacity of 410 MMcf/d. It is due to be in service by mid-2012.

<http://pembina.mediaroom.com/index.php?s=10336&item=48618>

EPA Proposes First National Air Pollution Rules for Wells Drilled Using Hydraulic Fracturing July 28

The proposed standards would reduce the amount of toxins and smog-forming gases that are allowed to be emitted when oil and gas are produced from wells drilled using hydraulic fracturing (fracking). The rules would apply to thousands of wells, as well as storage tanks and other equipment. The Environmental Protection Agency (EPA) estimates the rules would eventually save the industry money, since they will require oil and gas producers to collect hydrocarbons which can then be sold.

http://www.rigzone.com/news/article.asp?a_id=109589

Other News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices July 29, 2011			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	95.58	99.19	78.06
NATURAL GAS Henry Hub \$/Million Btu	4.41	4.58	4.75

Source: Reuters

Energy Notes

NRC Says July 27 that it Found Undisclosed “Security Deficiencies” at Constellation’s Calvert Cliffs Nuclear Power Plant in Maryland During a Special Investigation January 26 – July 13

<http://www.baltimoresun.com/business/bs-bz-calvert-cliffs-20110727.0.5998304.story>

Update: Idaho Transportation Department Issues Two New Permits for Imperial Oil/ExxonMobil to Transport Megaloads on U.S. 95 and I-90 in Idaho July 28

http://www.zacks.com/research/get_news.php?id=210e5738

ExxonMobil Reports Blocked Valve Leak at 238,600 b/d Joliet, Illinois Refinery July 24

Reuters, 04:08 July 29, 2011

TransCanada’s ANR Pipeline Co. Curtails its 300 MMcf/d, 20-Inch Natural Gas Pipeline System by 50 Percent in the U.S. Gulf of Mexico Due to “Bubbles in the Water” and Potential Leak – All Production Along the Line Curtailed

<http://fuelfix.com/blog/2011/07/29/transcanada-shuts-natural-gas-pipeline-in-gulf-after-bubbling/>

Valve Failure Causes Leak of 13 Million Cubic Feet of Natural Gas from TransCanada’s ANR System Pipeline in DeKalb County, Illinois July 9

<http://www.sfgate.com/cgi-bin/article.cgi?f=/g/a/2011/07/09/bloomberg1376-LO4EHX1A74E901-2VI1G6620QB2J6OJL7FDGOJ4RI.DTL>

Rates Cut after Second Stage Compressor Fails at Houston Refining’s 280,390 b/d Houston, Texas Refinery July 27

Reuters, 00:08 July 29, 2011

AFR Controller and Load Valve Regulator Malfunction at Boyd Compressor Station in Texas July 28 – Unit Restored Same Day

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=157382>

Emergency Shutdown of Train 0 Reported at Snyder Gas Plant in Texas July 28-29

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=157389>

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 EDT every Wednesday.

Natural Gas Weekly Update from EIA

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

Updated after 2:00 PM EDT every Thursday.

ENERGY ASSURANCE DAILY

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

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