



ENERGY ASSURANCE DAILY

Friday Evening, August 26, 2011

Major Developments

Hurricane Irene Threatening U.S. East Coast August 26 – Some Energy Facilities Impacted

As of 5 p.m. EDT today, Hurricane Irene is moving north at 14 miles per hour offshore the Carolinas. It is currently a Category 2 hurricane, with maximum sustained wind speeds of 100 miles per hours according to the National Hurricane Center. Forecasts show Irene headed towards New York City, where officials have announced plans to evacuate low-lying coastal areas containing 250,000 people and shut down the subway and transit system. An additional 200,000 people in North Carolina were ordered to leave their homes. Various companies have already reported impacts due to Hurricane Irene:

- Magellan Midstream Partners suspended operations at its Selma, North Carolina and Richmond, Virginia petroleum terminals. The company also plans to shut its terminal in Wilmington, Delaware on August 27.
- Colonial Pipeline announced that it is scheduling shutdowns of its customer delivery terminals in North Carolina, Virginia, Maryland, New Jersey, and New York as a precaution.
- Kinder Morgan said today that it will shut the docks at its petroleum terminals on Staten Island in New York and in Carteret, New Jersey later tonight. Truck racks at the terminals will be shut August 27. The company also announced plans to shut terminals that handle coal in Virginia.
- Buckeye Partners plans to restart operations at its BORCO marine terminal in the Bahamas after suspending operations there August 24. The oil and products terminal is due to be fully operational on Monday, August 29. The terminal has a storage capacity of 21.6 million barrels. Buckeye has also been preparing its facilities along the East Coast for storm conditions related to Hurricane Irene.
- Statoil shut its 6.75 million barrel South Riding Point crude oil storage terminal in the Bahamas August 24.

For more detailed information about Hurricane Irene, please find emergency situation reports from the U.S.

Department of Energy at the following link: http://www.oe.netl.doe.gov/emergency_sit_rpt.aspx

Reuters, 11:03 August 26, 2011

Reuters, 11:28 August 26, 2011

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

<http://www.weather.gov/>

<http://www.nytimes.com/2011/08/27/nyregion/new-york-city-begins-evacuations-before-hurricane.html?hp>

<http://www.smh.com.au/environment/weather/america-evacuates-as-huge-storm-heads-to-new-york-20110826-1jeb7.html>

<http://af.reuters.com/article/energyOilNews/idAFWEN759420110826>

<http://www.reuters.com/article/2011/08/25/storm-irene-energy-idUSN1E77O1WY20110825>

<http://www.buckeye.com/LinkClick.aspx?fileticket=9drVvz-KFfk%3d&tabid=83&mid=1635>

<http://www.reuters.com/article/2011/08/24/storm-irene-storage-idUSN1E77N16O20110824>

<http://af.reuters.com/article/commoditiesNews/idAFN1E77N0XS20110824>

Update: About 47,000 PREPA Customers Remain without Electric Service in Puerto Rico August 26

According to local Spanish-language reports, the executive director of the Puerto Rico Electric Power Authority (PREPA) announced at 2 p.m. today that 1,522,180 customers have electric service, representing 97% of roughly 1,568,796 total customers. These numbers imply that 46,616 customers remain without power on the island.

<http://www.elnuevodia.com/sinelectricidaddecenasdefamilias-1050609.html>

Thunderstorms Knock Out Power to 109,000 Customers across Texas August 25-26

Strong thunderstorms and high winds knocked out power to a peak of 79,000 CenterPoint Energy customers and 30,000 Oncor customers across Texas. As of latest reports, 1,732 CenterPoint Energy and 225 Oncor customers are still without electric service.

<http://gis.centerpointenergy.com/outagetracker/index.html>

<http://oncor.com/community/outages/#>

<http://www.newschannel6now.com/story/15331567/thousands-remain-without-power-after-north-texas-storms>

<http://fuelix.com/blog/2011/08/26/wednesday-night-power-outages-a-taste-of-things-to-come/>

Dominion Reports Minor Tremor at 1,842 MW North Anna Nuclear Plant in Virginia August 25

According to an updated filing with the Nuclear Regulatory Commission (NRC), another small aftershock was felt at the plant at 11:49 a.m. EDT. Operators plan to maintain the notice of unusual event with the NRC until there is sufficient indication that the station will not experience any additional aftershocks.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2011/20110826en.html>

Exelon's 619 MW Oyster Creek Nuclear Unit in New Jersey at Full Power by August 26

The Nuclear Regulatory Commission reported that on the morning of August 25 the unit was operating at 70 percent.

Information derived from the NRC Power Reactor Status Reports:

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

Update: PPL's 1,111 MW Susquehanna Nuclear Unit 2 in Pennsylvania Ramped Up to 98 Percent by August 26

The Nuclear Regulatory Commission reported that on the morning of August 25 the unit was operating at 81 percent.

Information derived from the NRC Power Reactor Status Reports:

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

Update: FPL's 839 MW Saint Lucie Nuclear Unit 2 in Florida Ramped Up to 99 Percent by August 26

The Nuclear Regulatory Commission reported that on the morning of August 25 the unit was operating at 70 percent. According to previous reports, unit 2 was reduced to 70 percent due to an influx of jellyfish into the plant's intake structure.

Information derived from the NRC Power Reactor Status Reports:

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

Dynegy's 756 MW Moss Landing Gas-Fired Unit 7 in California Returns to Service by August 25

According to the California Independent System Operator, the unit reported a return from an unplanned curtailment of 596 MW.

<http://content.caiso.com/unitstatus/data/unitstatus201108251515.html>

Calpine's 751 MW Pastoria Gas-Fired Unit in California Returns to Service by August 25

According to the California Independent System Operator, the unit reported a return from an unplanned curtailment of 281 MW.

<http://content.caiso.com/unitstatus/data/unitstatus201108251515.html>

Luminant's 617 MW Big Brown Coal-Fired Unit 1 in Texas to Shut August 26

According to a filing with state regulators, the company planned to shut the plant to repair a boiler tube leak. Reuters, 12:23 August 26, 2011

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=158493>

Update: Great River Energy Commissioning 99 MW Spiritwood Coal-Fired Power Plant in North Dakota but Operators Plan to Shut the Plant This Fall on Economics

The company has begun the commissioning process at the plant, which will result in about 60 days of operation. Operators then plan to shut the plant and not operate it in 2012 due to the low price of electricity. The unit will remain in standby mode until the market improves.

<http://www.istockanalyst.com/business/news/5379940/gre-puts-plant-on-standby#>

Petroleum

Power Restored and All Units Operating at Valero's 225,000 b/d Texas City, Texas Refinery Following Power Blip

According to the company, the refinery's complex 3 experienced a power blip on the morning of August 25. As of August 26, power has been restored and all units are now returning to planned rates. BP and Marathon also reported power blips at their 406,570 b/d and 76,000 b/d refineries respectively on Thursday morning, but there were no reports of any impact on production.

Reuters, 13:26 August 25, 2011

Reuters, 12:04 August 26, 2011

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=158491>

ExxonMobil Reports No Impact on Production Caused by Leaking Valve at 560,640 b/d Baytown, Texas Refinery August 25

The company reported a leaking valve on a delayed coker unit (DCU) on Thursday. The event resulted in flaring.

Reuters, 08:56 August 26, 2011

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=158466>

ExxonMobil Reports Two Breakdowns at 149,500 b/d Torrance, California Refinery August 25-26

The company reported flaring due to one breakdown on Thursday and one today.

Reuters, 11:19 August 26, 2011

Update: Alberta ERCB Approves Plains All American's Restart of Northern Leg of 187,000 b/d Rainbow Oil Pipeline

The Alberta Energy Resources Conservation Board (ERCB) had previously given conditional approval for the restart of the northern leg of the line. The ERCB is requiring that the company operate the pipeline at 75 percent of its maximum operating pressure. There is as yet no confirmed restart date. The pipeline ruptured April 28, spilling 28,000 barrels of crude.

Reuters, 12:33 August 26, 2011

Power Outage Cuts Production for 11 Hours at Husky Energy's White Rose Oil Field Offshore Newfoundland and Labrador August 25-26

All wells at the field, located 218 miles east of St. John's, Newfoundland, were shut after power failed on the SeaRose floating production vessel. Production began to restart just after midnight this morning.

Reuters, 11:40 August 26, 2011

Update: State Department Says TransCanada's Proposed Keystone XL Oil Pipeline Will Not Significantly Impact Environment August 26

According to the U.S. Department of State's Final Environmental Impact Statement, the pipeline will cause "no significant impacts" on most resources along its proposed 1,700-mile route from Alberta to Texas. The report did indicate that the pipeline would cause "significant adverse effects to certain cultural resources." The State Department will make a final decision whether to approve the pipeline by the end of the year.

DJN, 11:09 August 26, 2011

<http://www.keystonepipeline-xl.state.gov/clientsite/keystonexl.nsf?Open>

<http://calgary.ctv.ca/servlet/an/local/CTVNews/20110826/state-department-keystone-xl-pipeline-assessment-110826/20110826/?hub=CalgaryHome>

Enbridge Filed Plan to Partially Reverse Flow of Quebec-to-Ontario Line 9 Crude Pipeline Earlier This Month

According to the plan, flow would be reversed for roughly 125 miles (about 200 kilometers) to allow western Canadian oil to flow from Sarnia to Westover within Ontario. The crude would then be sent to a United Refining facility in Pennsylvania and Imperial Oil's refinery in Nanticoke, Ontario. The project could be completed by fall 2012.

<http://www.theglobeandmail.com/report-on-business/critics-target-enbridge-plan-to-reverse-pipeline-flow/article2142484/>

Update: Alon USA Processing 11,000 b/d of Gas Oil at Former Flying J-Owned Refinery in Bakersfield, California

The refinery, which has the capacity to process 65,000 b/d of crude oil, closed about 30 months ago but was reopened in June under the ownership of Alon USA. The refinery is currently processing 11,000 b/d of gas oil into 300,000 gal/day of diesel and 140,000 gal/day of gasoline. The facility is also producing smaller quantities of propane, butane, and other products. The refinery is not processing crude oil. Alon USA plans to increase the amount of gas oil it processes to 14,000 b/d.

http://www.downstreamtoday.com/news/article.aspx?a_id=27696

Thieves Cause Fire on Eni's Tebidaba-Brass Oil Pipeline in Nigeria August 24-25

A government official said on August 26 that the pipeline caught fire while thieves were attempting to open a crude loading point. The impact of the fire on the export terminal was not significant, and operators are working to restore the pipeline.

Reuters, 12:35 August 26, 2011

Update: Libya Could Produce 250,000-300,000 b/d within Several Months: IHS Energy Analyst

Returning production to pre-war levels of 1.6 million b/d will take at least a year according to the analyst.

http://www.rigzone.com/news/article.asp?a_id=110488

Natural Gas

New Jersey Governor Vetoes Permanent Natural Gas Fracking Ban August 25, Proposes One-Year Ban Instead

Governor Chris Christie issued a conditional veto of legislation which would have permanently banned hydraulic fracturing, or fracking. The governor will impose a 12-month moratorium on fracking within the state instead, while the state studies the issue.

http://www.rigzone.com/news/article.asp?a_id=110509

<http://www.prnewswire.com/news-releases/chemistry-council-of-new-jersey-applauds-governor-christies-decision-on-natural-gas-128405668.html>

EPA's Greenhouse Gas Estimates for Shale Gas Production Are Too High: IHS CERA

According to IHS Cambridge Energy Research Associates (IHS CERA), the U.S. Environmental Protection Agency (EPA) and others are likely overestimating greenhouse gas emissions from upstream shale gas production. The amount of methane emitted during production may be "grossly" overstated according to the report. Current estimates do not accurately reflect current practices in the industry.

http://www.rigzone.com/news/article.asp?a_id=110469

<http://www.platts.com/RSSFeedDetailedNews/RSSFeed/NaturalGas/6408486>

Other News

NRC Approves Expansion of Uranium Enrichment Plant in New Mexico

On August 24, the U.S. Nuclear Regulatory Commission (NRC) authorized Urenco USA and subsidiary Louisiana Energy Services to bring online two additional sequential enrichment systems, known as cascades, at its uranium enrichment facility in southeastern New Mexico. The expansion would double the plant's capacity to produce nuclear fuel. The two new cascades were expected to begin running within a few days of the authorization.

<http://news.yahoo.com/feds-approve-key-expansion-nm-nuclear-plant-214714688.html>

MSHA Issues Notices of Potential Pattern of Violations to Mines in Tennessee and West Virginia

The U.S. Department of Labor's Mine Safety and Health Administration (MSHA) has issued notices of a potential pattern of violations (PPOV) to two mines that received similar notices last November. Solid Fuel Inc.'s No. 1 Mine in Claiborne County, Tenn., formerly known as Wilcoal's Tri-State Mining, and Rhino Eastern LLC's Eagle 1 Mine in Raleigh County, W.Va., both implemented corrective action programs and successfully achieved their target improvements during the last PPOV evaluation. However, they have failed to maintain those health and safety improvements and again have met the PPOV criteria.

<http://www.msha.gov/MEDIA/PRESS/2011/NR110825.asp>

Energy Prices

U.S. Oil and Gas Prices			
August 26, 2011			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	84.93	82.55	73.57
NATURAL GAS Henry Hub \$/Million Btu	4.01	3.98	3.99

Source: Reuters

Energy Notes

Storms Cut Power to 26,000 Dominion Customers in Virginia Overnight August 25-26; 2,115 Remain Without Power Friday Afternoon

<http://www.dom.com/storm-center/dominion-electric-outage-summary.jsp>

<http://fredericksburg.patch.com/articles/storm-brings-down-trees-lines-in-city#photo-7491110>

Update: FirstEnergy Reports About 10,000 Customers Remain without Power in Ohio August 26, Down from Peak of Estimated 50,000 on August 24-25

http://www.newsnet5.com/dpp/weather/weather_news/outages,-debris-linger-after-storm

https://www.firstenergycorp.com/outages/outages.do?state_code=OH

Smoldering Coal Catches Fire Aboard Tanker in Long Island Sound August 26; Tanker was On Route to PSESG's Bridgeport Harbor Generating Station in Connecticut

<http://www.ctpost.com/news/article/Smoldering-coal-catches-fire-on-tanker-in-Long-2142439.php>

DOE Selects 16 Projects, Announces \$41 Million Investment in Carbon Capture Development August 25

<http://energy.gov/articles/departement-energy-announces-41-million-investment-carbon-capture-development>

Update: ConocoPhillips Finds New Seeps in Bohai Bay Oil Spill Offshore China August 26

<http://finance.yahoo.com/news/ConocoPhillips-finds-new-apf-2043906813.html?x=0&.v=2>

Gases Emitted After Bad Weather Snuffs Out Flame at Flare at Valero's 142,000 b/d Corpus Christi, Texas Refinery August 25

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=158485>

**Corroded Pipe Leaking Sour Water at Shell's 327,000 b/d Deer Park, Texas Refinery
August 25-26**

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=158469>

**New Technology Could Allow Over 1,700 Natural Gas Wells to Be Drilled in a Shale
Formation in Southwest Colorado: Durango Herald**

<http://www.durangoherald.com/article/20110823/NEWS01/708239942/New-gas-boom>

**Atlas Pipeline WestTex's Pembroke, Boyd, and Driver Compressor Stations Venting Due
to Maintenance Shutdown of Downstream Gas Plant in Texas August 25**

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=158476>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=158475>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=158474>

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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