



# ENERGY ASSURANCE DAILY

Thursday Evening, November 10, 2011

## Major Developments

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### **Update: TransCanada Restarts 591,000 b/d Keystone Crude Oil Pipeline November 9 after Mechanical Issues**

TransCanada Corp. reported Wednesday that it shut its Keystone pipeline on Tuesday due to mechanical issues caused by a power outage. Operators restarted the pipeline Wednesday morning, and company officials were investigating what might have caused the outage and mechanical problems. The spokesman stressed that there was no spill associated with the outage. TransCanada will work to make up deliveries this month and expects no further interruptions. The 2,148-mile Keystone pipeline transports heavy crude oil produced from the Alberta oil sands to refineries in Illinois and Oklahoma.

Reuters, 16:01 November 9, 2011

<http://www.hdnews.net/apksstory/Kansas-News-Today--Nov--102011-11-10T04-44-06>

## Electricity

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### **High Winds Knock Out Power to 117,000 DTE Energy and CMS Energy Customers in the Detroit Area November 9–10**

DTE Energy Co. reported that high winds cut power to 65,000 of its customers in the Detroit area Wednesday night, and about 19,000 customers remained without power Thursday morning. CMS Energy Corp. reported that about 52,000 of its customers were affected by the winds, and about 1,100 of its customers remained without power on Thursday morning.

<http://www.therepublic.com/view/story/de1b549dd9fb4ce8a28b1ba19a2a9cfe/MI--High-Winds-Michigan/>

### **SMUD's 102 MW Solano Wind Farm Shut by November 9**

According to the California Independent System Operator, the unit reported an unplanned outage on November 9.

<http://content.aiso.com/unitstatus/data/unitstatus201111091515.html>

## Petroleum

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### **Electrical Malfunction Shuts Buckeye Product Pipelines at 3 Million Barrel Linden, New Jersey Terminal November 8; Return to Full Service Expected by Evening November 9**

An electrical malfunction Tuesday evening shut five outbound pipelines and all active receiving pipelines to the Buckeye Partners LP's 3 million barrel petroleum product terminal in Linden, New Jersey. In a notice to investors on November 9, Buckeye said that it was restarting the five outbound pipelines and that operators were restoring power and restarting impacted systems. The notice said that a full return to service was expected by the evening on November 9. The terminal handles product receipts from numerous sources, including connecting pipelines, deepwater and bulk storage terminals, and local refineries. Outbound pipelines move product from Linden to the three major New York City airports, commercial marketing terminals on Long Island, and to Buckeye's Macungie, Pennsylvania terminal, which supplies delivery points in central and western Pennsylvania and central and western New York.

<http://www.bloomberg.com/news/2011-11-09/buckeye-starts-linden-product-pipelines-after-power-failure-1-.html?cmpid=yhoo>

<http://www.buckeye.com/LinkClick.aspx?fileticket=AmDHRR3qyuA%3D&tabid=92&mid=837>

## **Update: State Department Announces It Will Explore a New Route for the TransCanada Keystone XL Pipeline, Delays Final Permitting Decision until Early 2013**

The State Department announced Thursday afternoon that it will explore a new route for the proposed TransCanada Keystone XL pipeline and will delay a final decision on the project until early 2013, according to news sources quoting statements from the State Department and the White House. The proposed 700,000 b/d oil sands-derived crude pipeline is intended to extend 1,700 miles from northern Alberta to Texas Gulf Coast refineries. Lawmakers and environmentalists have expressed concerns about the proposed route of the pipeline, because it would cross over the massive Ogallala Aquifer in the Nebraska Sandhills region, from which a large portion of the central United States gets its water. The State Department cited its concerns about the Ogallala aquifer as a decisive factor in deciding to explore a new route.

<http://content.usatoday.com/communities/theoval/post/2011/11/state-department-to-announce-reroute-of-keystone-xl-pipeline/1>

<http://www.whitehouse.gov/the-press-office/2011/11/10/statement-president-state-departments-keystone-xl-pipeline-announcement>

## **Update: Shell's Houma-To-Houston Crude Pipeline Reversal Project Progressing**

Shell Pipeline today announced that because it received such a favorable response to its non-binding solicitation of interest for firm capacity on the Houma-to-Houston pipeline system reversal project ("Ho-Ho Reversal"), it is now planning to seek binding firm capacity commitments from shippers for this project through an open season in early 2012. Shell Pipeline's project would reverse the existing Ho-Ho service to connect the Golden Triangle markets with the Mississippi River markets in Louisiana. The reversal could enable the distribution of approximately 300,000 b/d of crude oil from across Texas and the mid-continent, including the Barnett, Eagle Ford, and Bakken shale plays, as well as from the growing crude supplies in the Cushing, Oklahoma area. Subject to customer commitments and regulatory approval, the Ho-Ho Reversal is expected to begin service by early 2013.

[http://www.shell.us/home/content/usa/aboutshell/media\\_center/news\\_and\\_press\\_releases/2011/11092011\\_hoho.htm](http://www.shell.us/home/content/usa/aboutshell/media_center/news_and_press_releases/2011/11092011_hoho.htm)

## **First Crude Oil Unit Train Departs 100,000 b/d Bakken Oil Express Rail Hub in North Dakota for St. James, Louisiana**

Bakken Oil Express LLC (BOE) announced yesterday that the first unit train loaded with crude oil at its facility departed via the Burlington Northern Santa Fe (BNSF) Railway on November 7 and is destined for St. James, Louisiana. Located just west of Dickinson, the BOE Rail Hub has initial take away capacity of 100,000 b/d and is the first multi-shipper crude-by-rail-unit-train facility in North Dakota. BOE will receive oil by both truck and pipeline. Construction of the Bakken Oil Express began in the fourth quarter of 2010, and the November 2011 startup marks the completion of Phase 1 of the development. BOE has plans in place that would allow for rapid expansion to over 250,000 b/d of capacity, making the facility capable of handling any and all volumes moving from the Bakken play to the BNSF southern line, which passes through Belfield and Dickinson as it traverses North Dakota.

<http://bakkenoilexpress.com/wp-content/uploads/2011/08/First-Unit-Train-Departs-BOE.pdf>

## **Update: CVR Energy Restarts Unit at Its 115,700 b/d Coffeyville, Kansas Refinery November 8 after Major Mechanical Problems**

CVR Energy reported on Tuesday that it has restarted a unit at its Coffeyville, Kansas refinery, according to a filing with the U.S. National Response Center. Operators made the filing to report a release of Hydrogen Sulfide from a flare stack due to the unit start-up. Earlier this month, operators reported a major mechanical problem while restarting the refinery, and CVR Energy announced at that time that it expected reduced rates to last 10–12 days.

[http://www.nrc.uscg.mil/reports/rwservlet?standard\\_web+inc\\_seq=994948](http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=994948)

## **Flint Hills Resources Reports Flaring During Startup of Mid-Crude Unit at Its 288,468 b/d Corpus Christi, Texas Refinery November 8**

Flint Hills Resources (FHR) reported Wednesday that two flaring events occurred on November 8 when operators started the FHR West Refinery Mid-Crude Unit and the C6 Splitter over pressurized twice. FHR operators initiated prompt measures to assess, minimize, and implement the necessary corrective actions to return the processes to normal operating conditions. All emissions control devices and monitoring systems were in service during the event to the extent possible.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=161551>

## **Equipment Failure Shuts SRU-5 at Total's 232,000 b/d Port Arthur, Texas Refinery November 7**

Total Petrochemicals reported that Sulfur Recovery Unit No. 5 (SRU-5) shut down at its Port Arthur refinery on Monday and would not restart, according to a filing with the Texas Commission on Environmental Quality. All acid gas was being processed at SRU-4.

<http://www1.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=161556>

## **Oil Production in Libya Ramping Up Far Faster Than Initially Expected, May Reach 800,000 b/d by Year-End**

Libyan officials and the International Energy Agency said Thursday that oil production levels are ramping up faster than initially expected after a long period of reductions and shutdowns during the recent conflict. Libya is currently producing 600,000 b/d, and the recent restart of the Elephant Field is expected to help bring production levels close to 800,000 b/d by the end of the year. The Elephant Field had a normal production capacity of 130,000 b/d before the war and is currently producing 40,000 b/d. Operators also confirmed Thursday that the country's second largest field, El-Sharara, is producing 100,000 b/d, which is nearly one third of its full capacity.

[http://www.rigzone.com/news/article.asp?a\\_id=112528](http://www.rigzone.com/news/article.asp?a_id=112528)

<http://www.marketwatch.com/story/big-libyan-oil-field-elephant-restarts-output-2011-11-10>

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## **Natural Gas**

### **Update: Southern Star Announces Binding Open Season for Canadian Blackwell Pipeline Expansion Project in Western Oklahoma and Texas**

Southern Star Central Gas Pipeline, Inc. (Southern Star) today announced the commencement of its Binding Open Season for additional firm transportation capacity originating in western Oklahoma and the Texas Panhandle. The Canadian Blackwell Expansion will involve expanding the capacity of Southern Star's system beginning in Hemphill County, Texas and Ellis County, Oklahoma along the Canadian Blackwell Line (Line Segment 458) extending east to its Blackwell Compressor Station, located in Kay County, Oklahoma. This proposed expansion will serve the growing western Oklahoma and Texas production corridor including the Granite Wash, Cleveland/Tonkawa, and Mississippian areas with deliveries to markets in Oklahoma, Kansas, and Missouri as well as access to interconnects with other intrastate and interstate pipelines.

[http://www.sscgp.com/News/Canadian\\_Blackwell\\_Expansion\\_Press\\_Release\\_111011.pdf](http://www.sscgp.com/News/Canadian_Blackwell_Expansion_Press_Release_111011.pdf)

### **Two Remote-Controlled Explosions Blow Up El-Arish Pipeline in Egypt November 10, Disrupts Gas Supplies to Israel and Jordan**

Two explosions activated by remote control Thursday occurred at different locations along the Egyptian portion of the pipeline, according to news reports from the region, making this the sixth time since February the pipeline has been attacked. The first blast was reported west of al-Arish in the north of the Sinai Peninsula; the second blast was reported near a pumping station in same area. The pipeline was only recently placed back into service, on October 24, following repairs needed after a previous attack. The explosions have disrupted gas supplies to Israel and Jordan, according to news accounts. According to a spokeswoman for the Israeli Infrastructure Ministry, Israel is drawing more gas from Yam Tethys, an offshore reserve, to make up for the disruptions.

DJN, 09:08 November 10, 2011

Reuters, 05:37 November 10, 2011

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## **Other News**

### **Power Surge Ruptures Steam Line, Leads to Explosion at 50 MMGal/Yr. Lincolnway Energy Ethanol Plant in Nevada November 7**

<http://www.desmoinesregister.com/article/20111107/NEWS/311070042/Update-4-injured-at-Iowa-ethanol-plant?odyssey=tab|topnews|text|News>

## Energy Prices

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U.S. Oil and Gas Prices			
November 10, 2011			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	98.02	93.85	87.68
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	3.55	3.39	3.76

Source: Reuters

## Energy Notes

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### Heavy Snow Cuts Power to 20,000 Wisconsin Public Service and UPPCO Customers in Wisconsin and Michigan November 9–10

<http://www.dailyherald.com/article/20111110/news/711109889/>

<http://www.dailypress.net/page/content.detail/id/533313/Stepping-into-winter--Storm-blows-into-region--blankets-U-P--in-snow--knocks-out-power.html?nav=5003>

### Enbridge and RES Canada Announce Completion of 99 MW Greenwich Wind Energy Project in Ontario

<http://www.res-americas.com/news/press-releases/2011/res-canada-announces-completion-of-275million-greenwich-wind-energy-project.html>

### Tanker Truck Carrying 8,500 Gallons of Gasoline Explodes on New Jersey Turnpike November 7

[http://www.nj.com/news/index.ssf/2011/11/tanker\\_truck\\_explodes\\_on\\_nj\\_tu.html](http://www.nj.com/news/index.ssf/2011/11/tanker_truck_explodes_on_nj_tu.html)

### Study on Hydraulic Fracturing in Shale Gas Development Finds No Clear Link to Reports of Groundwater Contamination – Energy Institute, University of Texas

<http://www.hydrocarbonprocessing.com/Article/2932326/Latest-News/US-shale-study-finds-no-clear-link-between-fracking-water-contamination.html>

## Links

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***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](http://www.eia.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://www.eia.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>

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