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Enbridge eyes quick restart after pipe blast

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By Jeffrey Jones and Scott Haggett

CALGARY (Reuters) - Enbridge Inc on Thursday said it expects to quickly restart its huge pipeline system, the day after a deadly blast in Minnesota killed two workers and briefly choked off 10 percent of oil imports to the world's top consumer.

Flow rates through pipeline system, which runs from Alberta, Canada, to the central United States, reached 80 percent of capacity Thursday, the company said.

The Department of Transportation said it was unlikely to force Enbridge to reduce throughput at the 1.5 million-barrel-per-day (bpd) system -- the biggest U.S. import pipeline -- as it investigates the cause of the blast.

"At this time, we wouldn't expect a restriction on this incident based on what we know so far," said Brian Pierzina, senior engineer and inspector for the Minnesota Office of Pipeline Safety.

The incident occurred after four other accidents on the Enbridge system this year, but the company said it occurred during routine repairs and was not the result of weakened or corroded steel.

Workers were wrapping up repair work on a section of pipe on the system's Line 3 near Clearbrook, Minnesota, when the oil spilled and ignited, Enbridge vice-president Leon Zupan told reporters during a conference call.

"It was at the tail end of this repair and replacement process when we restarted Line 3 and we ended up with the release from the line through one of these fittings," he said.

U.S. oil surged more than \$4 a barrel early Thursday before easing back later as Midwest refiners scrambled to find alternate supplies on concerns about a prolonged crimp in Canadian crude flows.

The Department of Energy said it was contacting refiners in the region to see if they needed oil from the emergency stockpile, but Midwestern refiners said they did not anticipate a shortfall in the near-term.

NO TERROR LINK

The U.S. Homeland Security Department said there were no known links to terrorism in the fire, which was extinguished on Thursday, allowing three of the four Enbridge pipelines to be restarted.

Only the 450,000 bpd line 3 remained shut and was expected to come back online in the next few days following the deadly blast.

"This is an incident that has really shaken us in that it involves the death of two outstanding employees, and our concerns right now are not with the reputation of Enbridge but with the families of the two employees who were involved," Chief Executive Pat Daniel said.

Canada is the top supplier of U.S. imported crude, with the Enbridge line shipping around 1.1 million bpd of oil to the U.S. midcontinent region. Capacity on the pipeline is growing tight due to rising oil production in Alberta and Enbridge has been working to expand the pipeline.

"The timing is pretty bad. We are coming to the strongest demand period for crude with the approach of the Northern winter," said Mark Pervan, analyst at ANZ Bank.

(Reporting by Tom Doggett in Washington, Erwin Seba in Houston, Jeffrey Jones and Scott Hagget in Calgary, and Robert Campbell, Richard Valdmanis, Rebekah Kebede, Janet McGurty and Matthew Robinson in New York; Editing by David Gregorio)

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