



ENERGY ASSURANCE DAILY

Thursday Evening, January 5, 2012

Electricity

NRC Says Emergency Diesel Generators at Progress Energy's 1,858 MW Brunswick Nuclear Plant in North Carolina Were Not Properly Protected from Possible Flooding

The U.S. Nuclear Regulatory Commission (NRC) has determined that fuel oil tank rooms serving the Brunswick nuclear plant's emergency diesel generators were not properly protected from possible flooding, a finding of low to moderate, or "white," safety significance that will result in increased NRC inspection and oversight of the facility. The NRC concluded that operators failed to identify and correct conditions in the fuel oil tank rooms that made them susceptible to flooding during hurricanes. In response to the finding, Brunswick officials have installed new sealant material to close the openings on the oil tank rooms, and barriers have also been erected to limit possible wave run-up to the facilities.

<http://pbadupws.nrc.gov/docs/ML1136/ML113640035.pdf>

Petroleum

Plains All American Buys Yorktown, Virginia Refinery and Terminal, Plans to Disassemble Refinery, Make Improvements to Terminal

Western Refining announced December 29 that it closed on the sale of its Yorktown terminal and refinery as well as a segment of an oil pipeline in New Mexico to subsidiaries of Plains All American Pipeline. Western closed the refinery in 2010 but kept the terminal open for oil products and in 2011 connected the terminal to the Colonial Pipeline. Plains All American Pipeline indicated earlier this month that it has plans to idle refinery equipment for disassembly and sale, and it intends to make modifications to the terminal to improve "connectivity and performance," according to reports late last month.

<http://www.dailypress.com/news/york-county/dp-nws-york-western-refining-1230-20111229.0.6211983.story>
<http://www.vagazette.com/articles/2011/12/29/news/doc4efce233b1eab044450247.txt>

Update: Enterprise and Enbridge Begin Open Seasons for Seaway Pipeline Expansion and Pipeline Extension to Port Arthur/Beaumont Refining Market

Enterprise Products Partners L.P. and Enbridge Inc. yesterday announced the start of concurrent binding open seasons to solicit capacity commitments from shippers for an expansion of the Seaway pipeline and an extension of the pipeline into the Port Arthur/Beaumont refining market. Enterprise and Enbridge recently announced plans to reverse the flow direction of the 500-mile, 30-inch diameter Seaway crude oil pipeline, enabling it to transport crude oil from the oversupplied hub in Cushing, Oklahoma to the U.S. Gulf Coast.

<http://phx.corporate-ir.net/phoenix.zhtml?c=80547&p=irol-newsArticle&id=1644816>

HollyFrontier to Expand Capacity by 15,000 b/d at Woods Cross, Utah Refinery

HollyFrontier Corporation yesterday announced plans to expand capacity at its 31,000 b/d Woods Cross, Utah refinery to 45,000 b/d, with an expected completion in late 2014. In conjunction with the expansion, HollyFrontier signed a 10-year, 20,000 b/d crude oil supply agreement with Newfield Exploration Company, which will supply black and yellow wax crude oil produced in the nearby Uinta Basin region to the Woods Cross refinery. Upon completion of this expansion, the Woods Cross refinery will be able to process approximately 24,000 b/d of waxy Utah crudes.

<http://investor.shareholder.com/fto/releasedetail.cfm?ReleaseID=637104>

Update: Valero Restores FCCU to Planned Rates at Its 83,000 b/d Houston, Texas Refinery

Valero Energy Corp. said on Thursday that it has restored planned rates on a gasoline-making fluid catalytic cracking unit (FCCU) that has been shut since December 26 due to an unexpected issue with a wet gas compressor. Reuters, 11:05 January 5, 2011

Alon Reports FCCU Snag at Its 67,000 b/d Big Spring, Texas Refinery January 3

Alon USA reported excess opacity from the fluid catalytic cracking unit (FCCU) electrostatic precipitator stack and CO boiler (by-pass) stack related to its repair of leaks at the CO boiler, according to a filing with the Texas Commission on Environmental Quality. The CO boiler repairs are not affecting overall operations and production, according to the filing.

<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=163353>

Equipment Failure Shuts Compressor, Leads to Coker Flaring at ExxonMobil's 238,600 b/d Joliet, Illinois Refinery January 4

ExxonMobil reported a compressor shutdown due to an unspecified equipment failure on Wednesday evening, which led to flaring from the coker main fractionator, according to a filing with the U.S. National Response Center. Operators secured the release and restarted the compressor, according to the filing.

Reuters, 10:21 January 5, 2012

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=999593

Update: Petroplus to Completely Shut Its 107,500 b/d Antwerp, Belgium Refinery by January 9-10

The refinery began shutdown procedures Monday amid a credit freeze restricting the purchase of crude oil supplies to the plant. A Belgian trade union spokesman told reporters today that the refinery will completely shut down by Monday or Tuesday next week.

Reuters, 07:59 January 5, 2012

Update: Shell Declares Force Majeure on Nigerian Bonny Light Crude Oil Exports January 5 Due to Shut-In of 70,000 b/d on the Nembe Creek Trunkline

Royal Dutch Shell announced force majeure effective 0800 GMT on Thursday after shutting in 70,000 b/d from the Nembe Creek Trunkline, which connects to a Bonny export terminal, on December 24 due to leaks blamed on oil thieves.

Reuters, 08:30 January 5, 2012

<http://www.bloomberg.com/news/2012-01-05/shell-resumes-output-at-bonga-ea-oil-fields-delays-bonny-light.html>

Update: Shell Restarts 200,000 b/d Bonga Field Offshore Nigeria January 1 after Repairing Leak

Royal Dutch Shell Plc restarted its Bonga field January 1 after shutting it December 20 when a leak was discovered from a flexible export line linking the floating production storage and offtake vessel to a tanker off Nigeria's southern delta, according reports citing an emailed statement from the company. Shell also brought the 115,000 b/d East Area (EA) offshore field back online on December 27 after completing maintenance.

<http://www.bloomberg.com/news/2012-01-05/shell-resumes-output-at-bonga-ea-oil-fields-delays-bonny-light.html>

Natural Gas

Freeport LNG Files with DOE to Export Additional 1.4 Bcf/d from Its Quintana Island LNG Terminal in Texas

Freeport LNG Expansion LP and FLNG Liquefaction LLC, which together call themselves FLEX, filed another application with the U.S. Department of Energy (DOE) to allow the export of an additional 1.4 Bcf/d of domestically produced liquefied natural gas (LNG) from its Quintana Island Terminal near Freeport, Texas. In a December 19 application, FLEX requested authorization to export the additional amount over a 25-year period to countries not prohibited from trading with the United States. FLEX plans to file a formal application with the U.S. Federal Energy Regulatory Commission (FERC) for construction of the liquefaction facilities by the end of the year. On December 21, FERC announced that Freeport LNG seeks authorization to modify import facilities already approved by the commission.

http://www.downstreamtoday.com/news/article.aspx?a_id=35115

<http://www.ferc.gov/docs-filing/elibrary.asp>

http://www.fossil.energy.gov/programs/gasregulation/authorizations/2011_applications/11_161_ingb.pdf

ANR Pipeline Announces Capacity Reductions on 1,350 MMcf/d Southeast Mainline in Tennessee and Kentucky January 6–March 16

ANR Pipeline reported in a notice online that it continues to make engine repairs and perform maintenance along its Southeast Mainline (SEML) in the Southeast Central Fuel Segment (ME-2), which runs north of Cottage Grove, Tennessee into Kentucky. The 1,350 MMcf/d line will have capacity reduced by 110 MMcf/d from January 6–13 and reduced by 75 MMcf/d from January 14–March 16.

<http://anrebb.transcanada.com/Notices/NoticeView.asp?sPipelineCode=ANR&sSubCategory=PlanSvcOut&sNoticeId=6101>

<http://www.anrpl.com/documents/CMA/WhatsNew/outage%20map.pdf>

Update: Service Restored at 390 MMcf/d Cameron Interstate Pipeline-Florida Gas Transmission Interconnection in Louisiana January 4

Cameron Interstate Pipeline is now accepting nominations to Florida Gas Transmission (FGT) after completing repairs to the FGT meter station, according to a notice Wednesday night.

http://www.gasnom.com/ip/cameron/notice_details_new.cfm?id=65&type=1

AGI Compressor Shuts at Regency's 290 MMcf/d Waha Gas Plant in Texas January 4

Regency Energy Partners reported amine system bag filters were bypassed for maintenance, causing the amine flash tank to dump excess gas volume to the acid gas injector (AGI) compressor. The rate and volume of the excess gas were too high for the AGI compressor to keep up, resulting in the shutdown of the AGI compressor. Filters were placed back in service, and operators reset and restarted the AGI compressor.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=163337>

Blocked Scrubber Shuts Units at DCP Midstream's Riley Booster Station in Texas January 3, Causes Oxy to Shut-In Its West Seminole San Andres Facility in Texas January 4

DCP Midstream reported Units 1 and 3 shut down Tuesday when the dump line from an interstage scrubber plugged up, causing inlet field pressure to increase and flare, according to a filing with the Texas Commission on Environmental Quality (TCEQ). Operators located and removed the blockage to clear the scrubber and then put both units back on line, ending the flaring. In a separate TCEQ filing, Oxy USA WTP reported flaring due to the DCP Midstream shut-in.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=163333>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=163363>

Power Outage Shuts Most Compression Units at Kinder Morgan's 147 MMcf/d Yates Field and Tract 75 NGL Plant in Texas January 3

Kinder Morgan reported a third party power provider lost power at the Mesa View substation on Tuesday, shutting down most of the Yates Field compression units along with the Tract 75 natural gas liquids (NGL) plant, according to a filing with state pollution regulators. The Tract 75 facility experienced a loss of air pressure, and as designed the electrostatic discharge (ESD) valves began to fail open, which led to flaring. Operators shut in a manual valve upstream of the inlet ESD valve to seal off the flow through the plant. When power was restored after two hours, operators brought the plant back online.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=163334>

Other News

Nothing to report

Energy Prices

U.S. Oil and Gas Prices			
January 5, 2012			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	102.89	98.55	90.49
NATURAL GAS Henry Hub \$/Million Btu	2.96	3.07	4.61

Source: Reuters

Energy Notes

Xcel Energy Reports Chlorine Bleach Leak at Its Prairie Island Nuclear Plant in Minnesota January 5

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2012/20120105en.html>

<http://www.canadianbusiness.com/article/64486--chlorine-bleach-leak-nuclear-plant-in-minnesota>

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 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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