



# ENERGY ASSURANCE DAILY

Monday Evening, January 23, 2012

## Electricity

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### **Severe Weather, Tornadoes Knock Out Power to At Least 62,000 Utility Customers in U.S. Southeast January 23; Over 18,600 Customers Remain without Power by Afternoon**

Severe weather tore across the U.S. Southeast early Monday morning, downing trees, utility poles, and power lines in Alabama, Arkansas, Mississippi, and Tennessee, and knocking out power to at least 62,000 customers. As of 4:00 PM EST, Alabama Power was reporting 14,000 of its customers were still without power in Alabama. Outages peaked at about 5:00 AM at 45,400 customers, an Alabama Power spokeswoman said. Entergy Arkansas reported 1,603 customers were without power this afternoon, down from a peak of about 13,400 customers across Arkansas this morning. In Tennessee, Appalachian Power reported 1,742 of its customers were still without power this afternoon, as were 1,291 Memphis Gas, Light, and Power customers.

<http://twitter.com/#!/alabamapower>

<http://viewoutage.entergy.com/ar.aspx>

<https://www.appalachianpower.com/outages/>

<http://azimuth.mlgw.org/OutageSummary.php>

[http://edition.cnn.com/2012/01/23/us/severe-weather/?hpt=us\\_c2](http://edition.cnn.com/2012/01/23/us/severe-weather/?hpt=us_c2)

[http://www.huffingtonpost.com/2012/01/23/arkansas-tornadoes-2012-storms-damage\\_n\\_1222695.html](http://www.huffingtonpost.com/2012/01/23/arkansas-tornadoes-2012-storms-damage_n_1222695.html)

### **Update: 52,000 PSE Customers Remain without Power in Washington State January 23 after Snow, Ice, and Wind Storms Last Week**

Puget Sound Energy (PSE) reported approximately 52,000 of its customers were still without power as of 11:00 AM PST today, primarily in Thurston, Pierce, and King Counties, Washington. A series of snow, ice, and wind storms that began last Tuesday at its peak cut power to 254,000 PSE customers. Since early Wednesday, PSE crews have restored power to more than 363,000 customers in western Washington, repairing and re-energizing 53 transmission lines, 70 substations, and 326 distribution circuits that lost power, according to a statement posted at its website this morning.

<http://pse.com/accountsandservices/ServiceAlert/Pages/Real-time-Updates.aspx>

<http://mynorthwest.com/174/613390/Thousands-still-without-power-in-Washington>

<http://www.seattlepi.com/local/komo/article/115K-still-without-power-as-new-storm-moves-in-2673872.php>

### **TVA Orders Safety Work Stoppage at Its Watts Barr Nuclear Plant in Tennessee after Inspections Reveal Construction Mistakes**

Routine inspections this month revealed mistakes by construction workers at the Watts Bar nuclear plant that operator Tennessee Valley Authority (TVA) has described as “potentially fatal,” prompting TVA to order a safety work stoppage for about 1,000 workers. Inspectors found that cables were erroneously removed in December from the plant’s 1,123 MW Unit 1 reactor, and a valve in the 1,200 MW Unit 2 reactor, now under construction, was improperly removed from another system. A TVA spokeswoman said the construction “stand down” will start at noon this Wednesday and continue “until the errors discovered are clearly communicated to all personnel.” Reports said that construction on the Unit 2 reactor project, which is expected to be completed in 2013, will resume on Monday. A U.S. Nuclear Regulatory Commission (NRC) spokesman said Friday that such work stoppages at nuclear plants are not uncommon and probably occur every two or three years.

<http://www.ajc.com/business/mistakes-idle-workers-at-1310276.html>

### **Exelon’s 1,116 MW Peach Bottom Nuclear Unit 2 in Pennsylvania Reduced to 83 Percent by January 23**

On the morning of January 22 the unit was operating at full power.

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

## **Southern's 830 MW Farley Nuclear Unit 1 in Alabama Restarts by January 21, Ramps Up to 99 Percent by January 23**

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

## **ArcLight's 118 MW Ace Cogeneration Coal-Fired Unit in California Returns to Service by January 20**

The unit returned from an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201201201515.html>

## **Edison Mission Group Commissions 55 MW Pinnacle Wind Farm near Maryland-West Virginia Border**

Edison Mission Group (EMG), a subsidiary of Edison International, announced today the commissioning of the Pinnacle Wind Farm at NewPage located on Green Mountain, near the Maryland-West Virginia border. The 23-turbine wind farm has a maximum generating capacity of 55 MW. The project sells two-thirds of its output to the Maryland Department of General Services and one-third to the University of Maryland system.

<http://finance.yahoo.com/news/Edison-Mission-Group-bw-3623701629.html?x=0>

## ***Petroleum***

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### **EU Adopts Immediate Oil Embargo on Crude Oil and Petroleum Products from Iran**

The European Union today formally adopted an immediate embargo on new contracts for crude oil and petroleum products from Iran. Existing contracts with Iran will be allowed to run until July. Iranian lawmakers responded by stepping up threats to shut the Strait of Hormuz, an important crude oil transport passageway.

<http://www.foxnews.com/world/2012/01/23/eu-agrees-on-iran-oil-embargo-as-part-nuclear-sanctions/>

### **U.S. Crude Output to Surge on Shale Oil Production, Increase by 20 Percent over 10 Years – EIA Report**

According to the U.S. Energy Information Administration (EIA)'s Annual Energy Outlook released Monday, advances in drilling techniques have allowed producers to tap the nation's vast shale oil reserves, and this growing shale oil production, along with increases in Gulf of Mexico development, will push U.S. crude oil production to 6.7 MMb/d in 2020, up 20 percent over 10 years. This estimate is 11 percent higher than the previous forecast and would be the highest level of U.S. oil output since 1994.

Reuters, 11:56 January 23

[http://www.eia.gov/forecasts/aeo/er/pdf/0383er\(2012\).pdf](http://www.eia.gov/forecasts/aeo/er/pdf/0383er(2012).pdf)

### **BP Restarts FCCU at Its 455,790 b/d Texas City, Texas Refinery January 21**

BP Products North America Inc. reported the loss of a blower tripped fluid catalytic cracking unit (FCCU) No. 1 on Friday, according to a report with the Texas Commission on Environmental Quality (TCEQ). Operators made adjustments to stabilize the unit and restarted it Saturday, according to a second TCEQ filing.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=163910>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=163909>

### **Regenerator Valve Malfunction Leads to Emissions at Pasadena Refining System's 100,000 b/d Pasadena, Texas Refinery January 20**

Operators reported the regenerator valve opened Friday, dumping large amounts of catalyst to the ESP and resulting in emissions, according to a filing with state regulators. The valve was immediately reset to its proper position.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=163889>

### **ConocoPhillips Reports Emissions at Its 362,000 b/d Wood River, Illinois Refinery January 23**

ConocoPhillips on Monday reported sulphur dioxide and hydrogen sulfide emissions at its joint-venture Wood River refinery in Roxana, Illinois, according to a filing with regulators.

<http://www.reuters.com/article/2012/01/23/refinery-operations-conoco-woodriver->

[idUSWNAB468820120123?type=companyNews&feedType=RSS&feedName=companyNews&rpc=43](http://www.reuters.com/article/2012/01/23/refinery-operations-conoco-woodriver-idUSWNAB468820120123?type=companyNews&feedType=RSS&feedName=companyNews&rpc=43)

## **ExxonMobil Reports Unspecified Unit Malfunction, Flaring at Its 238,600 b/d Joliet, Illinois Refinery January 22**

ExxonMobil reported an unspecified unit malfunctioned on Friday, triggering flaring, according to a notice with the Illinois Emergency Management Agency.  
Reuters, 15:18 January 22, 2012

## **Flint Hills Reports Coke Drum Upset at Its 280,500 b/d St. Paul, Minnesota Refinery January 22**

Flint Hills Resources reported a coke drum snag and hydrogen sulfide emissions at its refinery outside St. Paul in a filing with the U.S. National Response Center. Operators were cooling the coke drum when it overpressured, causing excess material to release to the air, according to the filing.

[http://www.nrc.uscg.mil/reports/rwservlet?standard\\_web+inc\\_seq=1000960](http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1000960)

## **Mechanical Problem Shuts Cumene Unit at Sunoco's 335,000 b/d Philadelphia, Pennsylvania Refinery January 19**

Sunoco Inc. reported a cumene unit shutdown due to an unspecified mechanical problem at the Girard Point section of its refinery in Philadelphia on Thursday, according to a filing with Philadelphia pollution regulators.  
Reuters, 14:19 January 20, 2012

## **Update: South Sudan Starts Shutdown of Oil Production, Expects Process to Take 2 Weeks**

South Sudan began shutting down its oil fields on Sunday and expects the process will be completed within two weeks, a government spokesman told Reuters by phone on Monday. The spokesman added that the shutdown had been started in the Thar Jath field in Unity state and is continuing today. According to the Energy Information Administration, the Sudan (when unified) produced 486,000 b/d in 2009.

Reuters, 09:16 January 23, 2012

<http://www.eia.gov/countries/country-data.cfm?fips=SU>

## **Eni Reports Oil Output in Libya is Almost Back to Pre-War Levels at 260,000 b/d**

Eni's Libyan oil output is almost back to its pre-conflict levels at 260,000 b/d, an executive said Saturday. Eni produced 270,000 b/d before the war.

Reuters, 04:51 January 21, 2012

## ***Natural Gas***

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### **DOE Approves Cameron LNG Permit to Export 1.7 Bcf/d to FTA Countries from LNG Terminal in Cameron Parish, Louisiana**

The U.S. Department of Energy (DOE) said Friday it has authorized Cameron LNG, a wholly owned subsidiary of Sempra Energy, to export up to 1.7 Bcf/d from its LNG facility in Cameron Parish, Louisiana, to countries possessing free-trade agreements (FTA) with the United States. The company is still waiting for federal permission to also export LNG to countries that don't have free trade agreements with the United States, according to a Sempra spokeswoman.

<http://www.foxbusiness.com/news/2012/01/20/cameron-lng-receives-liquefied-natural-gas-export-permit/>

### **Williams and DCP Midstream to Build 400 MMcf/d Keathley Canyon Connector Natural Gas Gathering Pipeline in Deepwater Gulf of Mexico**

Williams Partners L.P. and DCP Midstream Partners, LP on January 18 announced a planned expansion of the Discovery natural gas gathering pipeline system in the deepwater Gulf of Mexico. Discovery intends to construct the 400 MMcf/d Keathley Canyon Connector, a 20-inch, 215-mile subsea natural gas gathering pipeline for production from the Keathley Canyon, Walker Ridge, and Green Canyon areas in the central deepwater Gulf of Mexico. The connector will originate in the southeast portion of the Keathley Canyon area and terminate into Discovery's 30-inch mainline near South Timbalier Block 283. Construction on the project is expected to begin in 2013, with a mid-2014 expected in-service date.

<http://www.williamspl.com/profiles/investor/ResLibraryView.asp?BzID=1296&ResLibraryID=50237&Category=1800>

## Chesapeake Energy to Cut Drilling, Production Due to Gas Glut

Chesapeake Energy Corp. announced today it will reduce drilling activity this year as natural gas prices have reached a 10-year low. The company will reduce its operated dry gas drilling rig count to 24 rigs, a decline of approximately 50 rigs from its 2011 average rig count, according to a release Monday. It will also curtail its gross operated gas production by up to 1 Bcf/d and plans to defer dry gas well completions and pipeline connections wherever possible.

[http://www.rigzone.com/news/article.asp?a\\_id=114481](http://www.rigzone.com/news/article.asp?a_id=114481)

<http://www.chk.com/News/Articles/Pages/1651252.aspx>

## Other News

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Nothing to report

## Energy Prices

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| U.S. Oil and Gas Prices  |       |          |          |
|--|-------|----------|----------|
| January 23, 2012   |       |          |          |
|  | Today | Week Ago | Year Ago |
| <b>CRUDE OIL</b><br><b>West Texas Intermediate U.S.</b><br>\$/Barrel | 98.85 | 98.58    | 88.39    |
| <b>NATURAL GAS</b><br><b>Henry Hub</b><br>\$/Million Btu             | 2.25  | 2.70     | 4.57     |

Source: Reuters

## Energy Notes

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**Work on New Recycle Compressor Line Setup Shuts Acid Gas Compressor, Leads to Flaring at West Texas Gas' 12 MMcf/d Big Lake Gas Plant in Texas January 20**

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=163896>

## 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 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>

*Please direct comments and questions to: [ead@oe.netl.doe.gov](mailto:ead@oe.netl.doe.gov)*