



ENERGY ASSURANCE DAILY

Friday Evening, February 01, 2013

Electricity

NorthWestern Energy Announces Project to Upgrade Electric Transmission System in Montana to Boost Capacity and Reliability

NorthWestern Energy on Thursday announced a plan to upgrade its electric transmission infrastructure in Stillwater and Carbon counties in south-central Montana. The upgrade is to take place in phases over 10 years. The initial phase of the project will include substation upgrades and the construction of a new 100-kV transmission line from NorthWestern's existing Columbus-Rapelje substation to a new substation near Dean, in southern Stillwater County. The transmission line will be 45 to 55 miles in length, depending on the final route. This phase is expected to begin early in 2013 with project siting and right-of-way acquisition. Construction is anticipated to begin in 2015.

Later phases of this project will include upgrades and rebuilding of existing transmission lines in the area.

http://www.northwesternenergy.com/OurCompany/NewsCenter/displaynews.aspx?Page=NorthWestern_Energy_to_Make_Sizable_Investment_in_Electric_Transmission_System_in_Stillwater_and_Carbon_Counties_to_Boost_Capacity_and_Reliability&article=7141&Item=20

Update: Dominion CEO Says Project to Convert 3 Coal-Fired Power Plants in Virginia to Run on Biomass Should Reach Commercial Operations by Year-End

The CEO of Dominion Resources Inc. on Thursday said the company in 2012 started the conversion of the 63-MW Altavista, 63-MW Southampton, and 63-MW Hopewell power stations from coal to biomass, and all three conversion projects are progressing on schedule. The three biomass projects are expected to reach commercial operations on budget by the end of this year, he said. The new biomass units will each generate close to 51 MW of electricity, primarily through the use of waste wood discarded from regional timber operations.

<http://www.reuters.com/article/2013/01/31/utilities-dominion-virginia-idUSL1N0B09WB20130131?feedType=RSS&feedName=mergersNews&rpc=43>

Update: FirstEnergy's 1,235 MW Perry Nuclear Unit 1 in Ohio Ramped Up to 99 Percent by February 1

Perry 1 is returning from an outage that began January 22, when an automatic Reactor Protection System actuation occurred due to a low reactor water level signal after a fuse blew due to cold temperatures in the nearby turbine building, cutting power to the feedwater pumps. Operators restarted the reactor by January 27 and ramped it up to 92 percent by January 30, before reducing it to 68 percent by January 31.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2013/>

Update: Florida Power & Light's 693 MW Turkey Point Nuclear Unit 3 in Florida at Full Power by February 1

On the morning of January 31 the unit was operating at 60 percent.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2013/>

Petroleum

Update: State Regulators Approve Enbridge's Project to Replace 243,000 b/d Crude Oil Line 6B in Michigan

The Michigan Public Service Commission (MPSC) on Thursday approved an application filed by Enbridge Energy LP to replace, construct, and operate a crude oil and petroleum pipeline running through several Michigan counties, to address the long-term integrity of the Line 6B pipeline. The pipeline project, first announced in May 2012, consists of approximately 110 miles of new 36-inch pipeline and 50 miles of new 30-inch pipeline, all of which replace certain 30-inch pipeline segments of its existing crude oil and petroleum pipeline. Upon completion of this project, Enbridge will have replaced the entire length of Line 6B with new pipeline from Griffith, Indiana to the St. Clair River in Marysville, Michigan. After the new pipeline is installed, Enbridge will deactivate the old pipeline but leave it in place. The new Line 6B will have a capacity of more than 400,000 b/d. The company plans to deactivate the existing line by October 2013, with the new line coming into service soon after that.

http://www.michigan.gov/mpsc/0,4639,7-159-16400_17280-294097--,00.html

Update: State Department Decision on TransCanada's Proposed 830,000 b/d Keystone XL Crude Oil Pipeline Will Take Until at Least June – U.S. Official

A final decision on TransCanada's proposed Keystone XL pipeline will not be made until at least June, according to a U.S. official familiar with the proceedings. The project to build the pipeline, which would transport 830,000 b/d of crude oil 1,200 miles from Hardisty, Alberta and Baker, Montana to Steele City, Nebraska, is undergoing review by the U.S. Department of State, which said last week that it did not anticipate being able to conclude its own review before the end of March. The source cited in yesterday's report from Reuters, however, said a final decision won't be ready until the beginning of the summer at the earliest. The State Department did not comment for Thursday's story. The department must next issue a supplemental environmental impact statement (SEIS) on the project, following which a public comment period of at least 45 days would ensue. The department would then consider the comments before finalizing the SEIS, and once that is finalized the department would then have to determine whether the project is in the national interest.

<http://www.reuters.com/article/2013/01/31/usa-keystone-delay-idUSL1N0AZOO620130131>

Natural Gas

Amine Treater Upset Shuts Acid Gas Compressor at Targa's 150 MMcf/d Sand Hills Gas Plant in Texas January 30

Targa reported a minor upset in the amine treater at its Sand Hills plant caused the acid gas compressor No. C-14 to shut down Wednesday night, resulting in the flaring of acid gas, according to a filing with the Texas Commission on Environmental Quality.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=178776>

Other News

EPA Proposes a Nearly 9 Percent Increase for 2013 Renewable Fuel Standards

The U.S. Environmental Protection Agency (EPA) on Thursday announced its proposed 2013 percentage standards for four fuel categories that are part of the agency's Renewable Fuel Standard program (RFS2). The agency has proposed requiring U.S. refiners and fuel importers to use a total of 16.55 billion gallons of renewable fuel during 2013, up 8.9 percent compared to 15.2 billion gallons last year. The proposal will be open for a 45-day public comment period, and EPA will consider feedback from a range of stakeholders before the proposal is finalized.

<http://yosemite.epa.gov/opa/admpress.nsf/>

<http://www.hydrocarbonprocessing.com/US-renewable-fuels-mandate-in-2013.html>

International News

Mexico Increases Security at Critical Infrastructure Sites after Explosion at Pemex Headquarters Kills at Least 32 People January 31

Mexican authorities were increasing security at units of the state-run oil firm Petroleos Mexicanos (Pemex), at power plants, and at airports on Friday after an explosion at Pemex's headquarters in Mexico City late Thursday killed 32 people, according to reports. Pemex CEO Emilio Lozoya said at a press conference this morning that officials did not yet know the cause of the explosion, which destroyed part of an administrative building adjacent to the company's main tower. Pemex's installations and oil operations were running normally, he said. The Mexican Interior Minister said it would be premature to speculate on the cause, and authorities would wait until the completion of an investigation. Other officials said equipment problems in the basement may have been responsible. <http://www.hydrocarbonprocessing.com/Latest-News/Explosion-at-Pemex-headquarters-kills-at-least-32.html>
<http://www.voanews.com/content/32-dead-in-blast-at-mexico-oil-headquarters/1595235.html>
<http://www.bloomberg.com/pemex-headquarters-explosion-leaves-14-dead-about-100-injured.html>

FARC Rebels Release Three Oil Contractors Seized in Southern Colombia January 30

The Revolutionary Armed Forces of Colombia, known as the FARC, on Thursday freed three oil contractors kidnapped a day earlier, military sources said. The workers were contracted as engineers by Canada's Gran Tierra Energy and were working in southern Colombia when they were seized on Wednesday, the sources said. <http://www.reuters.com/article/2013/01/31/colombia-rebels-idUSL1N0B04FD20130131>

Energy Prices

U.S. Oil and Gas Prices			
February 1, 2013			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	97.91	95.92	98.40
NATURAL GAS Henry Hub \$/Million Btu	3.32	3.56	2.51

Source: Reuters

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 ET every Wednesday.

Natural Gas Weekly Update from EIA

<http://www.eia.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM ET every Thursday.

ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/ead.aspx>

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