



ENERGY ASSURANCE DAILY

Thursday Evening, February 07, 2013

Electricity

Utilities Prepare for Severe Winter Storm Forecast to Hit U.S. Northeast, New England

The U.S. National Weather Service on Thursday reported a major winter storm is expected to impact the U.S. Northeast and New England Friday into Saturday. As much as one to two feet of snow is forecast from the New York City metro area to Maine, with localized heavier amounts possible. This, in addition to wind gusts as high as 60–75 mph could create significant impacts to transportation and power. Coastal flooding is also possible from Boston northward. Utilities serving customers in the Northeast were preparing for the storm Thursday. Connecticut Light & Power reported it has activated its emergency response plan and is preparing for possible blizzard conditions, pre-staging resources in locations across the state so they can be deployed as quickly as possible to the areas where they are needed. National Grid, serving customers in New York, New Hampshire, Massachusetts, and Rhode Island, said it was preparing for widespread, prolonged power outages, mobilizing its storm command system, and readying its crews and equipment in anticipation of harsh weather. Central Maine Power Company issued a similar statement Thursday, reporting that it has initiated its storm response plan and is coordinating its storm preparation efforts with other utilities in the North East Mutual Aid Group and keeping the Maine Emergency Management Agency apprised on its preparation efforts.

<http://www.weather.gov/>

<http://nuwnotes1.nu.com/apps/mediarelease/clp-pr.nsf/0/73FBCC2EE661890585257B0B00550C29?OpenDocument>

http://www.nationalgridus.com/aboutus/a3-1_news2.asp?document=7513

<http://www.cmpco.com/OurCompany/News/2013/news130207.html>

ABB to Upgrade BPA's 3,100 MW Celilo HVDC Converter Station in Oregon

ABB Ltd on Wednesday announced it has won a contract from the Bonneville Power Administration (BPA) to upgrade the existing Celilo high-voltage direct current (HVDC) converter station in Oregon. The Celilo converter station is located at the north end of the Pacific DC Intertie, also known as Path 65, which has a capacity of 3,100 MW and originates near the Columbia River. This Intertie is 846 miles long and connects to the Sylmar converter station in the south. Key components of the station upgrade include valves, controls, transformers, as well as switchgear and cooling equipment. In addition to modernizing the converter station, the upgrade will also make it feasible to boost capacity up to 3,800 MW.

<http://www.abb.com/cawp/seitp202/8911C5B1F0118F32C1257B0A0045323A.aspx>

Manufacturer, Operator Knew of Steam Generator Problems Before Equipment Was Installed at SCE's San Onofre Nuclear Power Plant in California – U.S. Lawmakers

In a letter sent to U.S. Nuclear Regulatory Commission (NRC) Chairman Allison Macfarlane on Wednesday, California Senator Barbara Boxer and Massachusetts Representative Edward Markey said a 2012 report by Mitsubishi Heavy Industries Ltd, manufacturer of the San Onofre nuclear power plant's steam generators, found that some safety modifications were rejected by both Mitsubishi and plant operator Southern California Edison (SCE) due to "unacceptable consequences." These modifications may have raised the possibility that the plant would need to seek a license amendment because of changes to the steam generators' design, and rejecting those modifications contributed to problems with the faulty steam generators and the shutdown of both nuclear reactors at the plant, the lawmakers said the report showed. Both units at the 2,150 MW San Onofre nuclear power plant have been shut since January 2012, when operators discovered premature tube wear in the steam generators.

<http://www.reuters.com/article/2013/02/07/edison-mitsubishi-idUSL1N0B6MEA20130207>

TVA Reports Its Work to Address Increased Flood Risks at Nuclear Power Plants in Tennessee and Alabama

The Tennessee Valley Authority (TVA) on Wednesday reported that in July 2009, it identified the potential to overtop and fail earthen embankments at Cherokee, Fort Loudoun, Tellico, and Watts Bar Dams, according to a filing with the U.S. Nuclear Regulatory Commission. These conditions could have resulted in an increase in the probable maximum flood (PMF) level at TVA's Watts Bar and Sequoyah nuclear power plants in Tennessee, and its Browns Ferry nuclear power plant in Alabama. The increase in PMF could have affected plant equipment, including the emergency diesel generator system, the essential raw cooling water system, the thermal barrier booster pumps, and the control room chillers. TVA initiated immediate actions to address the conditions, conducting additional analyses and developing contingent actions, including the installation of modular flood barriers, which were completed in December 2009. The barriers increase the effective height of the affected embankments preventing their overtopping and failure.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2013/20130207en.html>

FPL Declares 'Unusual Event' Due to Loss of Offsite Power at Its 510 MW Point Beach Nuclear Unit 1 in Wisconsin February 6

Florida Power & Light (FPL) declared an Unusual Event at Point Beach Unit 1 Wednesday morning after the reactor experienced a loss of all offsite power due to the loss of a high voltage station auxiliary transformer, according to a filing with the U.S. Nuclear Regulatory Commission. The high side circuit switcher opened in response, but the transformer did not lock out, causing two emergency diesel generators (EDGs) to energize two VAC buses for safety reasons. The cause of the loss of offsite power was under investigation. Operators later restored offsite power to safeguards buses and removed the EDGs from the buses. They continued to troubleshoot the initial fault. All other systems functioned as designed. The Unusual Event was terminated early that afternoon. The plant remained at 100 percent power throughout the incident, which had no effect on Unit 2.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2013/20130207en.html>

Update: PPL's 1,111 MW Susquehanna Nuclear Unit 2 in Pennsylvania Ramped Up to 98 Percent by February 7

On the morning of February 6 the unit was operating at 85 percent.

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

Update: Inland Empire Energy Center's 366 MW Inland Empire Natural Gas-Fired Unit 2 in California Returns to Service by February 6

The unit returned from an unplanned curtailment of 196 MW that began by February 2.

<http://content.aiso.com/unitstatus/data/unitstatus201302061515.html>

Petroleum

Update: Upgraded CDU at BP's 413,000 b/d Whiting, Indiana Refinery Delayed Until July; New Coker, Other Heavy Oil Units Unlikely to Start Before December – Traders

BP Plc will not restart a 260,000 b/d crude distillation unit (CDU) at its Whiting refinery until July, several oil traders said on Thursday, citing a report by IIR Energy. The unit went offline for reconfiguration in the fourth quarter last year and had been expected to restart in May. The upgrade is part of a broader Modernization Project to reposition the refinery to run heavier oil and increase gasoline and diesel production by about 40,000 b/d. In addition to the CDU upgrade, the project will install a new delayed coker, new gas oil hydrotreating and sulfur recovery units, and other infrastructure improvements. The company had hoped to complete the project by the second quarter of 2013. Oil traders said the new coker and other heavy oil units are unlikely to start up until December.

Reuters, 11:45 February 7, 2013

Marathon to Covert Units at Its Ohio and Kentucky Refineries to Process Condensate from Utica Shale Oil – CEO

Marathon Petroleum Corp. will convert a unit at each of its Ohio and Kentucky refineries to process condensate from the Utica shale oil play, the company's chief executive announced at an energy conference on Wednesday. Installing the splitter at each unit could double the 30,000 barrels of condensate per day currently processed at both its 78,000 b/d Canton, Ohio refinery and its 226,000 b/d Catlettsburg, Kentucky refinery. The executive did not provide details about what Marathon would do with the condensate.

Reuters, 17:53 February 6, 2013

Valero Restarts HCU at Its 142,000 b/d Corpus Christi, Texas Refinery February 7 after Brief Power Outage February 6

Valero Energy Corp. on Thursday said it restarted a 12,000 b/d hydrocracking unit (HCU) at its Corpus Christi refinery following a brief power outage the day before, according to a spokesman, who said operators did not expect any material impact to production. The incident caused flaring at the East Plant of the refinery.
DJN, 11:47 February 7, 2013

Coffeyville Shuts FCCU at Its 115,700 b/d Coffeyville, Kansas Refinery by February 7 – Traders

CVR Refining has shut a 36,900 b/d fluid catalytic cracking unit (FCCU) at its Coffeyville refinery, traders said Wednesday, and the unit could remain offline for up to two weeks. CVR declined to comment.
Reuters, 14:53 February 6, 2013

Update: Plains Says 8-Inch Crude Oil Gathering Pipeline Shut Due to a Leak near Bay Springs, Mississippi February 5 Only Intermittently Used to Transport Area Production

Plains All American Pipeline LP (PAA) on Wednesday confirmed it shut the 19-mile, 8-inch crude oil gathering pipeline that runs from Bay Springs to Heidelberg, Mississippi after discovering crude oil on a right-of-way for the pipeline Tuesday, according to an emailed release. The company said the pipeline is only intermittently used to transport area crude oil production. The volume and cause of the release remained unknown Wednesday, but the company had estimated in a filing with national regulators that about 45 gallons of oil was spilled.
Reuters, 14:37 February 6, 2013

Natural Gas

Howard Midstream to Build 200 MMcf/d Reveille Natural Gas Processing Plant and Rail Hub in South Texas

Howard Midstream Energy Partners, LLC (HEP) on Wednesday announced the company will construct a new 200 MMcf/d cryogenic natural gas plant. The facility will serve primarily producer and midstream customers operating in the Olmos, Escondido, and Eagle Ford Shale plays in South Texas. The new Reveille cryogenic natural gas processing plant and associated pipelines will tie into the Cuervo Creek gathering pipeline system that HEP acquired in March 2012. Plant construction is scheduled to begin in April with start-up of the facilities anticipated in January 2014. In addition, HEP is constructing an industrial logistics railroad hub in Live Oak County, Texas that will be capable of handling manifest and unit trains transporting multiple types of cargo, including crude oil, condensate, natural gas liquids, water, pipe, and sand used in the hydraulic fracturing process. HEP began construction of the Live Oak Rail Hub's rail switch in January and expects the hub will accommodate manifest trains in May 2013. The hub site will access the Union Pacific Railroad that runs from San Antonio to Corpus Christi, as well as numerous pipelines in the area that will transport oil and condensate. HEP is actively seeking third party tenants that can use the facility for Eagle Ford or other industrial related products and services.
http://www.downstreamtoday.com/news/article.aspx?a_id=38473

Other News

Nothing to report.

International News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices			
February 7, 2013			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	95.71	97.44	98.73
NATURAL GAS Henry Hub \$/Million Btu	3.31	3.24	2.46

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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