



ENERGY ASSURANCE DAILY

Thursday Evening, February 23, 2012

Major Developments

Update: CDU at BP's 225,000 b/d Cherry Point, Washington Refinery May Remain Shut for 6 Weeks – Trade Sources; Coking Unit also Shut by Fire Last Week

Reports indicate the only crude distillation unit (CDU) at BP's Cherry Point refinery may remain shut for repairs for as long as 6 weeks, according to West Coast refined products trade sources on Thursday. A February 17 fire shut the CDU and the refinery's coking unit, according to a filing with the Northwest Clean Air Agency. A BP representative was not immediately available to discuss refinery operations, reports said. The refinery produces 20 percent of Washington's gasoline needs and it supplies the majority of jet fuel for Sea-Tac, Portland, and Vancouver, British Columbia airports.

http://www.cbsnews.com/8301-505245_162-57383630/bp-refinery-fire-could-boost-gas-prices-in-wash/

<http://www.reuters.com/article/2012/02/23/refinery-operations-bp-cherry-point-idUSH5E8D900S20120223>

<http://www.reuters.com/article/2012/02/22/refinery-operations-bp-cherry-point-idUSH5E8D900Q20120222>

Electricity

Progress Energy's 872 MW Brunswick Nuclear Unit 1 in North Carolina Shut by February 23

Progress Energy reported a manual reactor scram due to high delta-pressure across the intake traveling screen, according to a filing with the U.S. Nuclear Regulatory Commission on Thursday. This caused the remaining pumps to trip. All systems functioned as designed, and the high pressure coolant injection system is being used for pressure control as needed. The unit is currently in Mode 3 with cool-down in progress.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2012/20120223en.html>

Entergy's 653 MW Pilgrim Nuclear Unit 1 in Massachusetts Reduced to 80 Percent by February 23

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

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

Update: RRI Energy's 741 MW Ormond Beach Gas-Fired Unit 1 in California Returns to Service by February 22

The unit returned from an unplanned outage.

<https://www.oe.netl.doe.gov/docs/eads/ead022112.pdf>

NRC Proposes First Post-Fukushima Safety Orders Following Task Force Recommendations

The U.S. Nuclear Regulatory Commission (NRC) has proposed the first three rules to address safety issues raised by Japan's Fukushima nuclear disaster, and it has suggested the changes could be implemented by the end of 2016, according to an NRC memo. The commission's objective in proposing the rules is to help plant operators minimize the potential for core damage following an external event that presents circumstances beyond what the plants are designed to withstand. The rules, which are all subject to review and commission approval, call for all U.S. nuclear operators to develop plans to deal with extreme situations that could affect multiple reactors at a single site; improve implementation in the pools used to store spent nuclear fuel; and address containment "vent" structures at certain plants.

[http://www.reuters.com/article/2012/02/23/utilities-nrc-](http://www.reuters.com/article/2012/02/23/utilities-nrc-idUSL2E8DMD2B20120223?feedType=RSS&feedName=rbssEnergyNews&rpc=43)

[idUSL2E8DMD2B20120223?feedType=RSS&feedName=rbssEnergyNews&rpc=43](http://www.reuters.com/article/2012/02/23/utilities-nrc-idUSL2E8DMD2B20120223?feedType=RSS&feedName=rbssEnergyNews&rpc=43)

High Winds, Snowfall Cut Power to nearly 33,000 Xcel Energy Customers in Colorado February 22; Over 15,000 Remain without Power February 23

Winds as high as 88 mph toppled power lines and trees in Boulder County, Colorado on Wednesday. Xcel Energy last night reported a peak of 32,665 customers without service due to high winds, the majority of which were in Boulder and the western areas of Metro Denver. As of 1:50 PM CMT Thursday, Xcel reported approximately 15,015 customers were still without service in Boulder and Metro Denver. The high winds had subsided late this morning, but overnight snowfall was hampering restoration work, according to an update posted on the utility's website. Xcel expects to have the vast majority of customers restored by this evening, with the remaining customers restored by noon tomorrow.

http://www.xcelenergy.com/About_Us/Energy_News/Emergency_Notices/Feb_22_High_winds_Colorado
[http://www.xcelenergy.com/portal/site/xcel-en/menuitem.471846b0c2475abf262a71986b108a0c/?vgnextoid=02b6719a0b3cd210VgnVCM100000b40b98aaRCRD&vgnnextchannel=e97c6113f220f210VgnVCM100000b40b98aaRCRD&appInstanceName=xcel](http://www.xcelenergy.com/portal/site/xcel/en/menuitem.471846b0c2475abf262a71986b108a0c/?vgnextoid=02b6719a0b3cd210VgnVCM100000b40b98aaRCRD&vgnnextchannel=e97c6113f220f210VgnVCM100000b40b98aaRCRD&appInstanceName=xcel)

Petroleum

Shell Reduces Rates to Catalytic Cracking Unit at Its 329,800 b/d Deer Park, Texas Refinery after Discovering a Caustic Storage Tank Leak February 22

Shell reported a leak from a caustic storage tank at its refinery in Deer Park on Wednesday, according to a filing with the Texas Commission on Environmental Quality. Operators shut the caustic system and pumps and reduced feed rates to the catalytic cracking unit as vacuum trucks were dispatched to collect the material.

<http://www11.tceq.state.tx.us/occeer/index.cfm?fuseaction=main.getDetails&target=165218>

FCCU Malfunction Leads to Emissions at Delek's 60,000 b/d Tyler, Texas Refinery February 22

Delek reported excess emissions due to a mechanical malfunction at the fluid catalytic cracking unit (FCCU) regenerator, according to a filing with state regulators. Operators were making FCCU operational adjustments and taking other mitigation measures at the time of the filing.

<http://www11.tceq.state.tx.us/occeer/index.cfm?fuseaction=main.getDetails&target=165220>

Tesoro Restarts Process Unit at Its 120,000 b/d Anacortes, Washington Refinery February 22 after Computer Malfunction Shut the Unit February 21

Tesoro Corp. reported it was restarting an unspecified process unit Wednesday after a computer malfunction shut it down the day before, according to a filing with the Northwest Clean Air Agency. The refinery did not expect the malfunction to impact supply commitments, a Tesoro spokeswoman said. She declined to specify which unit was affected by the malfunction.

<http://www.reuters.com/article/2012/02/22/refinery-operations-tesoro-anacortes-idUSH5E8D900O20120222>

Hess Restarts FCCU at Its 70,000 b/d Port Reading, New Jersey Refinery February 18 after Repairs

Hess said February 18 that it was in the process of restarting the fluid catalytic cracking unit (FCCU) at its Port Reading refinery after completing repairs on the unit, reports said. The unit had been shut down on February 3.

<http://www.nasdaq.com/article/us-refinery-status-bp-cherry-point-refinery-idle-after-fire-20120221-01323>

Dense Fog Halts Ships on Houston Channel in Texas February 22–23

A dense fog has halted ship transit in the Houston Channel periodically over the last two days, according to reports from the U.S Coast Guard. The latest reports indicated 48 ships were waiting to enter the channel Thursday morning, and another 26 ships were waiting to exit.

<http://www.reuters.com/article/2012/02/23/transport-shipping-houston-channel-idUSH5E8D900R20120223>

<http://www.reuters.com/article/2012/02/22/transport-shipping-houston-channel-idUSH5E8D900N20120222>

NuStar Shuts Diesel Pipeline after Detecting Leak in South Dakota February 20

NuStar Energy said on Thursday it shut down a 6-inch diesel pipeline after discovering a leak on Monday about 2 miles north of Aberdeen, South Dakota. The pipeline is part of NuStar's Midwest pipeline network. A spokesman said the shutdown will not affect diesel supply in the region because the company has an abundant supply in nearby terminals. NuStar has launched an investigation into the cause of the leak, which spilled less than 500 barrels of diesel, reports said.

<http://www.reuters.com/article/2012/02/23/mustar-pipeline-idUSL2E8DN7V220120223>

Natural Gas

Update: Chesapeake Reports Cuts of 1 Bcf/d of Natural Gas Output Due to Low Prices February 21

Chesapeake Energy reported its curtailments of natural gas have reached approximately 1 Bcf/d of gross operated production, according to a news release Tuesday. The company has reported increasing curtailments over the last month, citing continued low natural gas prices. The curtailed volumes are located primarily in the Haynesville and Barnett shale plays. The company is deferring completions of dry gas wells that have been drilled, but not yet completed, and it is also deferring pipeline connections of dry gas wells that have already been completed, according to the release.

<http://www.chk.com/News/Articles/PressReleases/02-21-12%20Q4%202011%20Earnings%20and%20Ops%20Final.pdf>

Other News

Nothing to report

International News

Nothing to report

Energy Prices

U.S. Oil and Gas Prices			
February 23, 2012			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	107.39	102.43	96.04
NATURAL GAS Henry Hub \$/Million Btu	2.60	2.54	3.83

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 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>

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