



ENERGY ASSURANCE DAILY

Monday Evening, March 26, 2012

Electricity

Storm Cuts Power to More Than 21,000 Utility Customers in Southern California March 25; More Than 7,000 Customers Remained without Power March 26

A fierce rain- and windstorm knocked out power to as many as 21,200 utility customers in Southern California Sunday afternoon, according to local reports. More than 7,000 Los Angeles County customers remained without power Monday morning, including 3,200 Los Angeles Department of Water and Power customers and 3,900 Southern California Edison customers, reports said.

<http://latimesblogs.latimes.com/lanow/2012/03/weekend-storm-power-outages.html>

Mechanical Problem at Leominster Substation Cuts Power to 18,000 National Grid Customers in Massachusetts March 23

National Grid reported a mechanical malfunction at a substation in Leominster knocked out power to around 18,000 customers in Northern Worcester County between 5:30 and 5:45 PM EST Friday evening, according to a spokesman. Another power problem caused additional customers to lose electricity in Gardner and Winchendon. Around 3,500 customers were still without power three hours later, but National Grid expected full restoration to all customers later that night.

<http://www.telegram.com/article/20120323/NEWS/120329728/1116>

Dominion Declares Unusual Event Due to Seismic Activity at Its 1,806 MW North Anna Nuclear Power Plant in Virginia March 25

Dominion Virginia Power declared an unusual event due to seismic activity at its North Anna nuclear power plant in Virginia late Sunday night, according to a filing with the U.S. Nuclear Regulatory Commission (NRC). The National Earthquake Information Center reported a magnitude 3.1 seismic event 6 miles south-south west of Mineral, Virginia. Unit 1 is in a refueling outage and containment integrity was maintained during the incident. Unit 2 continues in full power operation. Operators terminated the unusual event early Sunday morning after a plant inspection indicated there was no damage caused by the incident.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2012/20120326en.html>

Dominion Reports Degradation of Steam Generator Nozzle Weld Areas at Its 1,806 MW North Anna Nuclear Power Plant in Virginia

Dominion Virginia Power reported on Saturday workers identified two through-wall defects on the B Reactor Steam Generator nozzle weld at its North Anna plant in Virginia, according to a filing with the U.S. Nuclear Regulatory Commission. The workers noted a small amount of water seeping from the indications in the nozzle weld area, the filing said. Workers immediately initiated actions to isolate the B Reactor Coolant loop. An engineering evaluation of the defects will be performed and corrective actions implemented.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2012/20120326en.html>

Turbine Trip Leads to Automatic Reactor Trip at 1,092 MW Salem Nuclear Unit 2 in New Jersey March 23

Public Service Electric and Gas Company (PSE&G) reported Salem Unit 2 experienced an automatic reactor trip Friday afternoon due to a turbine trip, according to a filing with the U.S. Nuclear Regulatory Commission. All shutdown and control rods fully inserted on the reactor trip. Operators stabilized the plant and the unit resumed normal operating temperature and pressure that evening, according to the report. On the morning of March 26, the unit remained shut.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2012/20120326en.html>

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

Update: Progress Energy's 710 MW Robinson Nuclear Unit 2 in South Carolina Restarts March 21, Ramps Up to 92 Percent by March 25

Progress Energy restarted Unit 2 March 21 after completing a refueling outage that began January 18. On January 23, operators declared an unusual event due to an electrical fire in the unit's control cabinet.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2012/20120321ps.html>

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

Silicon Valley Power's 148 MW Donald Von Raesfeld Power Project Gas-Fired Unit in California Returns to Service by March 24

The unit returned from an unplanned outage reported on March 23.

<http://content.caiso.com/unitstatus/data/unitstatus201203231515.html>

<http://content.caiso.com/unitstatus/data/unitstatus201203241515.html>

Delta Power's 240 MW Crockett Cogen Gas-Fired Unit in California Shut by March 24

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201203241515.html>

Update: ITC Michigan-Ontario PAR Transmission Project to Enter Service April 5 – IESO

Ontario's Independent Electric System Operator (IESO) said in a report late on Thursday that its phase angle regulator (PAR) transmission project on the Michigan-Ontario border is scheduled to enter service on April 5. PARs are designed to help control unscheduled flows of power around Lake Erie, managing and enhancing system reliability. ITC Holdings Corp. will install the Bunce Creek PARs in Michigan and join the system with other PARs already in service in Ontario. Once this equipment becomes operational, IESO and the Midwest Independent System Operator will begin using all available PARs on the Michigan interface to maintain power flow equal to the net import and export schedule, to the extent possible, the IESO said. Although operating in this mode will cause a slight reduction in transmission capability, IESO said the reduction in inadvertent power flows was expected to allow much greater utilization of the interface for energy trade.

[http://www.reuters.com/article/2012/03/23/utilities-ieso-itc-pars-](http://www.reuters.com/article/2012/03/23/utilities-ieso-itc-pars-idUSL1E8EN5M820120323?feedType=RSS&feedName=marketsNews&rpc=43)

[idUSL1E8EN5M820120323?feedType=RSS&feedName=marketsNews&rpc=43](http://www.reuters.com/article/2012/03/23/utilities-ieso-itc-pars-idUSL1E8EN5M820120323?feedType=RSS&feedName=marketsNews&rpc=43)

Entergy Moving Forward with Plans to Construct 550 MW Natural Gas-Fired Unit 6 at Its Ninemile Point Power Plant in Westwego, Louisiana

Entergy Louisiana, LLC announced in a press release today it is moving forward with its plans to build Ninemile Unit 6, a new 550 MW dual fuel combined cycle gas turbine generating unit at its existing Ninemile Point Station in Westwego, Louisiana. The full notice to proceed with construction came after the Louisiana Public Service Commission on March 21 approved of Entergy Louisiana's and Entergy Gulf States Louisiana's application seeking certification to construct the unit. The unit is expected to enter commercial operation during the first part of 2015.

http://www.entergy-louisiana.com/news_room/newsrelease.aspx?NR_ID=2396

Update: California Approves SCE Sale of Shares in Two Units at 2,100 MW Four Corners Coal-Fired Power Plant in New Mexico; APS to Retire Three Units Once Sale Is Final

The California Public Utilities Commission approved Southern California Edison's (SCE) previously announced sale of its interest in the five-unit, 2,100 MW Four Corners coal-fired power plant in New Mexico to Arizona Public Service (APS), which operates the plant. SCE is selling its 48 percent share in Units 4 and 5, which each have a capacity of 770 MW. APS already owns the remaining Units 1–2, which each have a capacity 170 MW, and Unit 3, which has a capacity of 220 MW. Before completing the purchase, APS must have approval from Arizona regulators and an extension of the plant's coal contract, which it hopes to achieve by the end of this year, according to a spokesman. APS plans to shut Units 1–3 if it acquires SCE's stake in Units 4 and 5, because the smaller, older units will be too expensive to upgrade to meet new, stringent federal emissions requirements proposed by the U.S. Environmental Protection Agency over the past few years.

[http://www.reuters.com/article/2012/03/23/utilities-edisoninternational-sce-coal-](http://www.reuters.com/article/2012/03/23/utilities-edisoninternational-sce-coal-idUSL1E8EN5MB20120323?feedType=RSS&feedName=governmentFilingsNews&rpc=43)

[idUSL1E8EN5MB20120323?feedType=RSS&feedName=governmentFilingsNews&rpc=43](http://www.reuters.com/article/2012/03/23/utilities-edisoninternational-sce-coal-idUSL1E8EN5MB20120323?feedType=RSS&feedName=governmentFilingsNews&rpc=43)

NRC to Vote March 30 on Scana Licenses for Two New Reactors at Its 966 MW Summer Nuclear Plant in South Carolina

The U.S. Nuclear Regulatory Commission (NRC) will vote March 30 on a decision to award Scana Corp. (SCG) a license to build two new reactors at its existing Virgil C. Summer nuclear power plant in South Carolina, the agency said today on its website. Scana plans to construct Toshiba Corp (6502)-designed units, with the first reactor in operation by 2016 and the second by 2019.

<http://www.bloomberg.com/news/2012-03-23/nrc-poised-to-award-scana-licenses-for-two-reactors-on-march-30.html?cmpid=yhoo>

Edison Mission Group Dedicates 130 MW Taloga Wind Energy Project in Oklahoma

Edison Mission Group (EMG), a subsidiary of Edison International, on Friday officially dedicated its Taloga Wind project in Putnam, Oklahoma. Taloga Wind began commercial operations last year and can generate up to 130 MW of power. Oklahoma Gas and Electric Company is purchasing all the electricity produced by the project under a 20-year power purchase agreement. Taloga is powered by 54 2.4 MW Mitsubishi turbines delivering power into the Southwest Power Pool transmission system.

<http://www.edison.com/pressroom/pr.asp?bu=&year=0&id=7898>

Petroleum

ExxonMobil Reports Brief Fire in Unspecified Processing Unit at Its 60,000 b/d Billings, Montana Refinery March 25

ExxonMobil Corp. said a fire Sunday morning in an unspecified processing unit at its Billings refinery had been extinguished, according to a spokeswoman, who said production has not been significantly affected and the company is currently meeting all customer commitments. Local reports said a fire broke out around 10:30 AM local time Sunday morning and was extinguished by the company's onsite emergency response team within a couple of hours. ExxonMobil is investigating the cause of the fire.

<http://www.reuters.com/article/2012/03/26/refinery-operations-exxon-billings-idUSWNAB560620120326?feedType=RSS&feedName=rbssEnergyNews&rpc=43>

<http://www.foxbusiness.com/news/2012/03/26/exxonmobil-montana-refinery-fire-has-no-significant-production-impact/>

FCCU Upset Leads to Flaring at ConocoPhillips' 238,000 b/d Linden, New Jersey Refinery March 25

ConocoPhillips reported flaring at its Bayway refinery in Linden, New Jersey after an upset in the fluid catalytic cracking unit (FCCU) over the weekend, according to a filing with state regulators. The incident was ongoing at the time of the filing.

<http://www.reuters.com/article/2012/03/26/refinery-operations-conocophillips-bayway-idUSL2E8EQ03X20120326?feedType=RSS&feedName=rbssEnergyNews&rpc=43>

ExxonMobil Reports Pipeline Leak at Its 572,500 b/d Baytown, Texas Facility March 24

ExxonMobil Corp. reported a "pinhole leak" in a pipe at the crude light ends Unit 1 at its Baytown facility on Saturday, according to a filing with the Texas Commission on Environmental Quality. Operators isolated the leak and depressurized the line. There was no impact on production and all customer needs were met, according to the filing.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=166398>

Blown Water Seal at DCU Leads to Flaring at Valero's 310,000 Port Arthur, Texas Refinery March 24

Valero reported a water seal unexpectedly blew at the delayed coking unit (DCU) on Saturday, resulting in temporary flaring, according to a filing with the Texas Commission on Environmental Quality. Operators restored the water seal as quickly as possible, and the incident is under investigation.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=166390>

Cleanup Underway after Petroleum Storage Tank Leak at Tesoro's 145,000 b/d Anacortes, Washington Refinery March 23

Tesoro Corp. is working at its Anacortes refinery to clean up a leak of approximately 27,000 gallons of petroleum, which spilled from an aboveground storage tank into a containment basin on Friday, according to local media reports. The cause of the spill is under investigation.

Reuters, 08:19 March 26, 2012

Natural Gas

U.S. Natural Gas-Drilling Rig Count Hits New 10-Year Low as Producers Cut Production to Cope with Low Prices, Weak Demand

The gas-directed rig count slid this week by 11 to 652, the lowest number since May 2002 when there were 640 gas rigs operating, according to data from Baker Hughes on Friday. The rig count has now fallen for 11 straight weeks, as low gas prices and weak demand due to a mild winter are forcing some U.S. energy producers to curb their dry gas drilling operations. Announced production reductions so far total more than 1 Bcf/d, according to reports.

<http://www.reuters.com/article/2012/03/23/energy-natgas-rigs-idUSL1E8EN63I20120323?feedType=RSS&feedName=marketsNews&rpc=43>

Exterran Reports Unit Shutdown at Its 65 MMcf/d Dollarhide Gas Plant in Texas March 23

Exterran reported a Cat-15 Unit went down on low RPM lugdown late Friday night and wouldn't immediately restart. Operators made adjustments on the caborator and restarted the unit early Saturday morning.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=166397>

Enbridge Reports AGI Unit Shutdowns at Its Tilden Gas Plant in Texas March 24

Enbridge reported its acid gas injector (AGI) Unit 2 shut down due to fourth stage high discharge pressure, according to a filing with the Texas Commission on Environmental Quality (TCEQ). Operators immediately responded to correct the situation, routing process gas to flare to mitigate emissions. Later that day, operators shut AGI Unit 2 to repair a fifth stage discharge valve, according to a second TCEQ filing.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=166392>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=166393>

Other News

NRG Energy to Build Electric Vehicle Fast-Charging Infrastructure in California

The California Public Utilities Commission and NRG Energy have entered into an agreement where NRG will build a comprehensive electric vehicle (EV) charging network in California. This fee-based charging network will consist of at least 200 publicly available fast-charging stations—installed in the San Francisco Bay area, the San Joaquin Valley, the Los Angeles Basin and San Diego County—which can add 50 miles of range in less than 15 minutes of charging. Additionally, NRG will wire at least 10,000 individual charging stations located at homes, offices, multifamily communities, schools, and hospitals located across California. The agreement, pending approvals and finalization, resolves outstanding litigation arising out of a long-term electricity contract disputes between Dynegy Inc., NRG, and California.

<http://finance.yahoo.com/news/calif-settlement-fund-car-charging-002443051.html>

<http://phx.corporate-ir.net/phoenix.zhtml?c=121544&p=irol-news&nyo=0>

International News

Total Evacuates Elgin Platform in North Sea after Gas Leak March 25; Shuts Production March 26

Total S.A. evacuated a North Sea platform and halted production Monday after discovering a gas leak. The company reported it evacuated 238 workers off the Elgin platform 240 kilometers (150 miles) east of the Scottish city of Aberdeen after it sprang a leak Sunday for unknown reasons. The British Department of Energy and Climate Change said a sheen detected on the water around the platform Monday was caused by gas condensate. Total said it has now stopped production at the platform, which would normally produce 5.5 million cubic meters of gas per day, and 67,000 barrels of gas condensate.

<http://finance.yahoo.com/news/north-sea-rig-evacuated-gas-124440254.html>

Energy Prices

U.S. Oil and Gas Prices			
March 26, 2012			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	106.87	107.68	104.41
NATURAL GAS Henry Hub \$/Million Btu	2.07	2.01	4.27

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 and 1:00 PM Eastern Time every Wednesday.

Natural Gas Weekly Update from EIA

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

Updated after 2:00 PM Eastern Time every Thursday.

ENERGY ASSURANCE DAILY

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

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