



ENERGY ASSURANCE DAILY

Wednesday Evening, May 08, 2013

Electricity

As Hurricane Season Approaches, Obama to Meet with Utility CEOs, Trade Groups to Discuss Lessons Learned after Sandy

President Obama was scheduled to meet with chief executives of electric utility companies and trade groups at the Energy Department on Wednesday, to discuss lessons learned and actions taken since Hurricane Sandy, which knocked out power to 8.6 million customers in the U.S. northeast last year. The discussion comes just before the official start of the Atlantic hurricane season, which runs from June through November.

Reuters, 21:01 May 7, 2013

<http://www.whitehouse.gov/schedule/complete/2013-05-08>

Update: Dominion Permanently Shuts 556 MW Kewaunee Nuclear Unit in Wisconsin May 7

Dominion on Tuesday permanently shut down its 556 MW Kewaunee Power Station, ending almost 40 years of operation. Dominion announced last fall that it would close the station and decommission it due to poor economics. In the weeks ahead, station personnel will begin removing all 121 fuel assemblies from the reactor and storing them in the used fuel pool before commencing activities to place the unit in SAFSTOR, a U.S. Nuclear Regulatory Commission-approved method for long-term monitoring and storage of a closed nuclear unit. Under federal law, the company must decommission the unit and return the site to a green field condition within 60 years.

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

<http://dom.mediaroom.com/2013-05-07-Dominion-Shuts-Down-Kewaunee-Power-Station-Permanently>

Southern Nuclear Agrees to Corrective Actions Related to Radiation Training Exams at Its Farley Nuclear Power Plant in Alabama

The U.S. Nuclear Regulatory Commission (NRC) on Tuesday reported it has issued a confirmatory order to Southern Nuclear Operating Co., which has agreed to a series of corrective actions at its Farley nuclear power plant related to the company's failure to ensure that radiation worker training exams for security officers were not compromised. The order stems from an apparent violation that occurred in 2010 and 2011 involving a Farley security officer helping other security officers during radiation worker training exams or actually taking the exam for them.

<http://www.nrc.gov/reading-rm/doc-collections/news/2013/13-031.ii.pdf>

AES's 336 MW Alamos Natural Gas-Fired Unit 4 in California Shut by May 7

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201305071515.html>

Update: TransAlta Expects Outage at Its 395 MW Keephills Coal-Fired Unit 1 in Alberta to Continue Until Mid-June

TransAlta Corporation today announced it must extend the outage of its Keephills Unit 1 as it continues to work with the original equipment manufacturer to safely return the unit to service. TransAlta had on March 26 declared force majeure at the unit when it experienced an unplanned outage due to a winding failure in the generator. Testing conducted in preparation for the return of the unit to service revealed that additional work was required to repair the generator. TransAlta currently expects the unit to return to service in mid-June, after the additional work required to repair the generator is completed.

<http://www.transalta.com/newsroom/news-releases/2013-05-08/transalta-corporation-announces-suspension-premium-dividend%E2%84%A2-progr>

Enbridge Restarts 210,000 b/d Line 81 Crude Oil Pipeline in North Dakota by May 8 after Shutdown Due to Minor Leak May 6; Marks Second Shutdown in 1 Week

Enbridge Inc. on Wednesday said it restarted its 210,000 b/d Line 81 pipeline in North Dakota after shutting it on Monday for the second time in a week due to leaks. A spokeswoman said about 84 gallons leaked just southwest of Grand Forks. Operators shut the line briefly last Thursday after discovering about 10 gallons had leaked between Knox and York. In both cases, the leaks were contained to the pipeline area and were cleaned up. The leaks were discovered when operators found contaminated soil during integrity checks on the line, which runs from Minot, North Dakota to Clearbrook, Minnesota and serves producers in the Bakken Shale.

<http://www.fortmilltimes.com/2013/05/08/2675914/oil-pipeline-in-nd-and-mn-restarted.html>

<http://www.prairiebizmag.com/event/article/id/14537/>

Tanker Truck Collides with Freight Train Hauling North Dakota Crude in Minnesota May 7

A freight train hauling North Dakota crude oil and a tanker truck carrying hazardous material collided Tuesday morning in west-central Minnesota, causing the tanker to leak but no loss of crude, officials said. A 102-car BNSF Railway train struck a truck hauling anhydrous ammonia from a Koch Nitrogen Co. fertilizer terminal at about 8:30 a.m. local time, just as the truck left the Koch facility. A atmospheric release of anhydrous ammonia drifted over the Koch facility. All 102 rail cars were carrying crude from near Minot, North Dakota to Missouri.

<http://www.startribune.com/local/206431421.html?refer=y>

Newfield Storage Tank Explodes at Oilfield in Eastern Utah May 7

A storage tank exploded in an eastern Utah oilfield Tuesday, killing one person and injuring two others, officials said. A fire started about 8:30 p.m. Tuesday at a Newfield Exploration Company facility near Myton.

http://www.heraldextra.com/news/local/dead-injured-in-eastern-utah-oil-field-blast/article_011c4c7a-b7e9-11e2-9854-001a4bcf887a.html

Tesoro Idles FCCU at Its 120,000 b/d Anacortes, Washington Refinery to Repair Slide Valve May 6

Tesoro Corp. on Monday began idling a fluid catalytic cracking unit (FCCU) at its Anacortes refinery after discovering a catalyst leak on a slide valve, according to a person familiar with operations. Operators were still working to determine the extent and duration of the unplanned repairs, the person said. A company spokeswoman confirmed only that unscheduled work was underway on an unspecified unit. The company doesn't expect the maintenance to affect supply commitments, she said.

<http://www.bloomberg.com/news/2013-05-07/gasoline-gains-to-7-month-high-in-portland-on-tesoro-work.html?cmpid=yahoo>

Shell Shuts Unspecified Unit Due to Leak at Its 156,400 b/d Martinez, California Refinery May 6

Royal Dutch Shell Plc reported it shut down an unspecified unit at its Martinez refinery on Monday after operators discovered an isolation valve was leaking a "pitch-like material," according to a filing with the Contra Costa Health Department Hazardous Materials Program.

Reuters, 10:11 May 8, 2013

Compressor Power Failure Causes Sulfur Dioxide Emissions at PBF Energy's 190,000 b/d Delaware City, Delaware Refinery May 7

PBF Energy Inc. reported a release of sulfur dioxide due to a power failure that impacted a compressor at its Delaware City refinery, according to a filing with the Delaware Department of Natural Resources and Environmental Control.

Reuters, 19:27 May 7, 2013

Update: Hyperion's Proposed 400,000 b/d Elk Point, South Dakota Refinery Unlikely after Company Lets Land Options Expire at Construction Site

Hyperion Resources has let land options expire at the site in Elk Point where it proposed to build a 400,000 b/d refinery, casting doubt on the fate of the project. South Dakota Governor Dennis Daugaard said it's unlikely that the refinery will be built, local media reported. Hyperion first proposed the project in 2007 and was originally scheduled to begin construction in February 2011, but financing problems caused delays. In September 2011, South Dakota's Board of Minerals approved the company's request to delay the project by up to 18 months, and construction was then slated to begin by March 2013.

<http://www.keloland.com/newsdetail.cfm/daugaard-says-oil-refinery-near-elk-point-unlikely/?id=147726>

ExxonMobil, Statoil to Jointly Develop Julia Oilfield in the U.S. Gulf of Mexico

Statoil ASA on Tuesday confirmed an agreement it has with operator ExxonMobil Corp. to proceed with the development of the Julia oilfield in the Gulf of Mexico. The partners each own 50 percent of the field. The field was discovered in 2007 and is estimated to have nearly 6 billion barrels of resource in place. Production is scheduled to start in 2016. The initial development phase is designed to produce 34,000 b/d of oil and includes six wells with subsea tie-backs to the Jack & St. Malo production facility operated by Chevron U.S.A. Inc. The Julia field comprises five leases in the ultra-deepwater Walker Ridge area of the Gulf of Mexico, 265 miles southwest of New Orleans.

<http://news.exxonmobil.com/press-release/exxonmobil-develop-julia-oil-field-gulf-mexico>

http://www.statoil.com/en/NewsAndMedia/News/2013/Pages/07May_Julia.aspx

Shell Moves Forward on Stones Ultra-Deepwater Oil and Gas Development Project in the U.S. Gulf Mexico

Royal Dutch Shell Plc today announced it has made a final investment decision in the Stones ultra-deepwater oil and gas development project in the Gulf of Mexico. This decision sets in motion the construction and fabrication of a floating production, storage, and offloading (FPSO) vessel and subsea infrastructure. The development will start with two subsea production wells tied back to the FPSO vessel, followed later by six additional production wells. This first phase of development is expected to have annual peak production of 50,000 boe/d from more than 250 million boe of recoverable resources. The Stones field is estimated to contain over 2 billion boe of oil in place. The Stones field is located in 9,500 feet of water, approximately 200 miles southwest of New Orleans, Louisiana.

<http://www.shell.com/global/aboutshell/media/news-and-media-releases/2013/new-gulf-mexico-stones-08052013.html>

Enbridge to Expand Cheecham Terminal to Accommodate Increased Bitumen Production from Surmont Oil Sands Project in Alberta

Enbridge Inc. on Tuesday announced that it has entered into a terminal services agreement with ConocoPhillips Canada Resources Corp. and Total E&P Canada Ltd. (the ConocoPhillips Surmont Partnership) to expand existing infrastructure at the Enbridge Cheecham Terminal to accommodate incremental bitumen production from Surmont's Phase 2 expansion. Enbridge will construct two new 450,000-barrel blend tanks and convert an existing tank from blend to diluent service, install receipt and distribution manifolds to facilitate transfers to Enbridge's Waupisoo Pipeline, and upgrade associated measurement equipment. The expansion is expected to come into service in two phases through the fourth quarter 2014 and first quarter of 2015.

<http://www.enbridge.com/MediaCentre/News.aspx?yearTab=en2013&id=1717252>

Natural Gas

Southern Natural Gas Completes 'Expansion-Related' Work on Enterprise Compressor Station in Mississippi May 6

Southern Natural Gas Co. on Monday reported it had completed planned, expansion-related work at its Enterprise natural gas compressor station in Mississippi and returned the station to service. Operators took the station out of service on May 2, and had planned to keep it out of service for 2 to 3 days. The 7,600-mile Southern Natural Gas system extends from supply basins in Texas, Louisiana, Mississippi, Alabama, and the Gulf of Mexico to markets across the South. The system also connects to Southern LNG's Elba Island LNG terminal near Savannah, Georgia.

[http://ixsnp.sonetpremier.com/ebbmasterpage/Notices/NoticesAutoTable.aspx?code=SNG&status=Notice&name=Critical Notices&sParam1=007&sParam7=34052&sParam11=D&details=Y](http://ixsnp.sonetpremier.com/ebbmasterpage/Notices/NoticesAutoTable.aspx?code=SNG&status=Notice&name=Critical%20Notices&sParam1=007&sParam7=34052&sParam11=D&details=Y)

[http://ixsnp.sonetpremier.com/ebbmasterpage/Notices/NoticesAutoTable.aspx?code=SNG&status=Notice&name=Planned Service Outage&sParam1=007&sParam7=34027&sParam11=D&details=Y](http://ixsnp.sonetpremier.com/ebbmasterpage/Notices/NoticesAutoTable.aspx?code=SNG&status=Notice&name=Planned%20Service%20Outage&sParam1=007&sParam7=34027&sParam11=D&details=Y)

Other News

Nothing to report.

International News

Flows Stop on 350,000 b/d Kirkuk-Ceyhan Crude Oil Pipeline May 7; Expected to Resume by May 12

A Turkish energy official on Wednesday said that oil flows on the Kirkuk-Ceyhan pipeline, which carries crude oil from northern Iraq to a Turkish port on the Mediterranean Sea, halted on Tuesday but would resume over the weekend. The official said the reason for the stoppage was unclear, but repairs had begun.

Reuters, 11:44 May 8, 2013

Energy Prices

U.S. Oil and Gas Prices			
May 8, 2013			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	95.47	90.30	96.19
NATURAL GAS Henry Hub \$/Million Btu	3.88	4.30	2.30

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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