



# ENERGY ASSURANCE DAILY

Wednesday Evening, May 09, 2012

## Electricity

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### **SCE Plugs More Than 1,300 Steam Generator Tubes in Both Units at the San Onofre Nuclear Power Plant in California; No Restart Dates Given**

Southern California Edison (SCE) reported in notices this week its progress in inspecting the steam generator tubes in both units at its San Onofre nuclear power plant in California. SCE has identified a wear mechanism caused by tubes that were vibrating and rubbing against adjacent tubes, according to a statement Monday. Tube wear was also observed where tubes had rubbed against certain supports in both units. The company continues to investigate why these wear mechanisms are occurring. As of May 7, SCE has plugged a total of 510 tubes in Unit 2 steam generators and 807 tubes in Unit 3. Reports indicate that the number of plugged tubes is well within the limit allowed to continue operation. The chairman of Edison International told investors in a phone call last week that unusual wear was found in about 1 percent of nearly 39,000 tubes in the steam generators. Edison International maintains it has not yet issued a firm restart date for either unit. A joint statement issued Tuesday by Edison and the California Independent System Operator said the units will be returned to service only when SCE and the U.S. Nuclear Regulatory Commission (NRC) are satisfied it is safe to do so. SCE has not filed a request with the NRC seeking to restart the plant.

<http://cnsnews.com/news/article/over-1300-tubes-damaged-calif-nuclear-plant>

<http://www.edison.com/pressroom/pr.asp?id=7945>

[http://www.edison.com/files/SONGS19\\_CALFactSheet\\_050712.pdf](http://www.edison.com/files/SONGS19_CALFactSheet_050712.pdf)

<http://www.nrc.gov/reading-rm/doc-collections/news/2012/12-017.iv.pdf>

### **Update: PSE&G's 1,096 MW Salem Nuclear Unit 1 in New Jersey at Full Power by May 9**

Salem nuclear Unit 1 is returning from a week-long outage that began April 30, when the unit automatically tripped off line due to a voltage issue in one of the two subsystems of the Solid State Protection System, the plant's emergency reactor shutdown system.

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

### **Electronic Glitch Shuts Luminant's 593 MW Monticello Coal-Fired Unit 2 in Texas May 8**

Luminant reported the burner management control system automatically tripped Monticello Unit 2 Tuesday evening due to a false electronic signal from the B boiler water recirculation pump, according to a filing with the Texas Commission on Environmental Quality. Operators repaired the pump contact switch that caused the false signal.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=168238>

### **AES's 225 MW Huntington Beach Gas-Fired Unit 3 and 227 MW Gas-Fired Unit 4 in California Shut by May 8**

The units entered an unplanned outage.

<http://content.aiso.com/unitstatus/data/unitstatus201205081515.html>

### **Update: TransCanada to Proceed with Keystone Hardisty Crude Oil Terminal in Alberta; Increases Proposed Tankage from 2 to 2.6 Million Barrels**

TransCanada Corporation today announced that it has concluded a successful open season for the Keystone Hardisty Terminal project, which will build the new terminal at the starting point of TransCanada's Keystone Pipeline System. Binding, long-term commitments in excess of 500,000 b/d were received, leading to the opportunity to expand the proposed 2 million barrels of crude oil batch accumulation tankage and pipeline infrastructure to a 2.6 million barrel terminal. TransCanada intends to proceed with the necessary regulatory applications for approvals to construct and operate the terminal. Subject to regulatory approvals, the project is expected to be in service by late 2014. The Keystone Pipeline System is an operational 3,467-kilometre (2,154-mile) pipeline that is delivering over 500,000 barrels per day of crude oil to markets and refineries in the U.S. Midwest and Cushing, Oklahoma.

<http://www.transcanada.com/6042.html>

### **Update: Plains All American's 50,000 b/d Expansion Nearly Complete along 400,000 b/d Texas-to-Oklahoma Segment of Existing Basin Pipeline System**

Plains All American Pipeline LP (PAA) said yesterday it has mostly completed a project to expand a portion of its Basin pipeline system, which ships oil from the Permian Basin region in West Texas and Southern New Mexico to Cushing, Oklahoma. A company executive told analysts Tuesday that PAA has achieved approximately 90 percent of the volume expected in the expansion. The company announced in January 2011 that it was planning to modify the line's pumping capacity to increase capacity of the segment from Colorado City, Texas to Cushing from 400,000 b/d to 450,000 b/d.

<http://www.bloomberg.com/news/2012-05-08/plains-says-basin-pipeline-expansion-largely-completed-1-.html?cmpid=yhoo>

### **Petroplex, Partners Plan 10 Million-Barrel Oil Storage Terminal in St. James Parish, Louisiana**

A consortium of companies led by Petroplex International LLC said Wednesday that it plans to build a 10 million-barrel oil storage terminal in St. James Parish, Louisiana, according to reports. The companies intend to start construction on the proposed terminal in the first half of 2013, for operation sometime in 2014. The facility would initially have storage capacity for between 4–6 million barrels, and it would accommodate an array of liquids, including crude oil, refined petroleum products, chemicals, renewable fuels, and bitumen, reports said. The proposed facility would be linked to long-haul pipelines, refineries, waterways, and rail lines. Others involved in the project include Quanta Services Inc., Harley Marine Service Inc., and Macquarie Group.

<http://www.foxbusiness.com/news/2012/05/09/600-million-oil-storage-facility-planned-for-st-james-parish-la/>

### **CDU Fire Quickly Extinguished at Sunoco's 335,000 b/d Philadelphia, Pennsylvania Refinery May 8**

Sunoco workers quickly extinguished a fire Wednesday morning after it ignited in a crude distillation unit (CDU) in the Girard Point section of its Philadelphia refinery, according to a source close to refinery operations. The cause of the fire is under investigation.

Reuters, 09:31 May 9, 2012

### **Flash Fire Ignites in Gas Recovery Unit at Sinclair's 74,000 b/d Sinclair, Wyoming Refinery May 8**

A flash fire ignited Tuesday morning in Sinclair Oil Corp.'s refinery near Rawlins, a company official said. The fire injured four workers but did not cause damage to the facility, according to a release.

Reuters, 18:56 May 8, 2012

[http://trib.com/news/state-and-regional/four-workers-burned-by-sinclair-oil-refinery-fire-in-wyoming/article\\_c70e19a8-1e2f-5f71-abc4-ad00a57d44cd.html](http://trib.com/news/state-and-regional/four-workers-burned-by-sinclair-oil-refinery-fire-in-wyoming/article_c70e19a8-1e2f-5f71-abc4-ad00a57d44cd.html)

<http://uk.reuters.com/article/2012/05/08/refinery-operations-sinclair-idUKL1E8G8H9Q20120508>

### **Unspecified Process Unit Upset Leads to Emissions at BP's 225,000 b/d Cherry Point, Washington Refinery May 8**

BP Plc reported a process unit upset at its Cherry Point refinery led to sulfur dioxide emissions early Tuesday morning, according to a filing with the U.S. National Response Center. The release was ongoing at the time of the filing.

[http://www.nrc.uscg.mil/reports/rwservlet?standard\\_web+inc\\_seq=1010839](http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1010839)

### **Delek Reports Boiler Snag in FCCU at Its 60,000 b/d Tyler, Texas, Refinery May 7–8**

Delek U.S. Holdings reported a boiler snag in a fluid catalytic cracking unit (FCCU) at its Tyler refinery, according to a filing with the Texas Commission on Environmental Quality. Emissions occurred from Monday afternoon until Tuesday morning due to “non-routine operation of the refinery,” the filing said.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=168200>

### **Solenoid Coil Failure Shuts Vent Gas Compressor at Alon’s 67,000 b/d Big Spring, Texas Refinery May 8–9**

Alon USA Energy Inc. reported an off-gas stream vented to the flare when the vent gas compressor (VGC) tripped due to a solenoid coil failure Tuesday evening, according to a filing with the Texas Commission on Environmental Quality. Operators replaced the solenoid and restarted the VGC early the next morning.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=168235>

### **Lyondell Reports Minor Leak on Piperack Flange at Its 227,200 b/d Houston, Texas Refinery May 8**

LyondellBassell subsidiary Houston Refining LP reported a leak developed on a flange in a piperack located near Dock B at its Houston refinery, according to a filing with the Texas Commission on Environmental Quality. Operators estimate about 15 gallons of BT Feed spilled onto the ground.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=168208>

### **Citgo Reports SRU Snag, Emissions at Its 167,000 b/d Lemont, Illinois Refinery May 7**

Citgo Petroleum Corp reported emissions from a sulfur recovery unit (SRU) at its Lemont refinery after a train tripped off line Monday morning, according to a filing with the Illinois Emergency Management Agency.

Reuters, 04:00 May 9, 2012

### **Update: Imperial Shuts Unspecified Processing Unit at Its 121,000 b/d Sarnia, Ontario Refinery for Several Weeks of Unscheduled Maintenance after Operational Issue May 6**

Imperial Oil Ltd said on Tuesday it has taken a processing unit at its Sarnia refinery down for several weeks of unscheduled maintenance following an operational issue Sunday, according to reports. The company said it will manage supply to minimize potential impacts to customers. Other parts of the refinery will remain in operation during the work, the company said. On Sunday, a plume of black smoke was seen releasing from a coker unit at the refinery, and the company cut crude supply to the equipment.

Reuters, 13:12 May 8, 2012

## ***Natural Gas***

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### **Interior Department Approves Anadarko’s Greater Natural Buttes Natural Gas Project in Uinta Basin, Utah**

The U.S. Interior Department today approved Anadarko Petroleum Corporation’s proposed Greater Natural Buttes Project, a major natural gas project in Utah’s Uinta Basin that could develop up to 3,675 new gas wells in an existing gas producing area. The project encompasses approximately 163,000 acres where 1,484 approved well pads would be drilled over a period of 10 years.

<http://www.doi.gov/news/pressreleases/Obama-Administration-Approves-Major-Natural-Gas-Project-for-Uinta-Basin.cfm>

<http://www.anadarko.com/Media/Pages/News.aspx>

### **Power Outage Due to Storms Shuts Amine Plant, AGI Compressor at Regency’s 290 MMcf/d Waha Gas Plant in Texas May 8**

Regency Energy Partners reported a power outage early Tuesday morning due to storms in the area caused the amine plant and acid gas injector (AGI) compressor to go down, according to a filing with the Texas Commission on Environmental Quality. Operators restarted the amine plant and AGI compressor soon after power was restored, later that morning.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=168219>

### **Power Failure Shuts Enbridge's 65 MMcf/d Henderson Gas Plant in Texas May 7-8**

Enbridge reported the plant lost power due to severe weather overnight Monday and Tuesday, according to a filing with the Texas Commission on Environmental Quality. The plant shut-in inlet gas and set the plant to by-pass until power was restored early Tuesday morning and operators brought the plant back online.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=168211>

### **Power Failure Shuts AGI Units at Enbridge's Tilden Gas Plant in Texas May 8**

Enbridge reported acid gas injector (AGI) Units 1 and 2 went down due to power failure Tuesday, 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=168228>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=168230>

### **Southern Reports Engine Shutdown, Flaring at Its 140 MMcf/d Keystone Gas Plant in Texas May 7**

Southern Union Gas Services reported it flared low-pressure gas Monday afternoon when Engine 23 went down with two cracked nipples in the scrubbers, 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=168197>

## **Other News**

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### **EPA Permit Filed for Indiana Gasification's Proposed Coal-Gasification Plant**

Indiana Gasification (IG) announced the Indiana Department of Environmental Management (IDEM) on Monday filed with the U.S. Environmental Protection Agency (EPA) for approval of a permit for IG's proposed coal-gasification plant, which it intends to build in Rockport, Indiana. The plant would convert approximately 3.85 million tons per year of Illinois Basin coal into 47 trillion Btu per year (roughly 126 MMcf/d) of substitute natural gas (SNG) and 5.5 million tons per year of liquefied carbon dioxide (CO<sub>2</sub>). About 80 percent of the plant's SNG output will be sold to the Indiana Finance Authority (IFA) under a 30-year agreement. CO<sub>2</sub> generated by the production process will be compressed, sold, and shipped from Indiana to the Gulf Coast and injected into depleted oil wells for enhanced oil production.

<http://www.marketwatch.com/story/world-class-coal-facility-advances-with-idem-proposed-permit-2012-05-07>

## **International News**

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### **PetroChina in Talks to Buy Valero's Shuttered 235,000 b/d Aruba Refinery – Sources**

Valero Energy said in a recent filing with the U.S. Securities and Exchange Commission that it has received a non-binding indication of interest for the shuttered, 235,000 b/d Aruba refinery, which it shut at the end of March due to poor economics. Valero did not identify the interested party in the filing, but sources familiar with the negotiations say PetroChina Co Ltd. is in talks with the company.

<http://www.reuters.com/article/2012/05/09/us-petrochina-valero-aruba-idUSBRE8480C620120509>

### **Nigerian Officials Arrest 27 Oil Thieves at Pipeline in Niger Delta, Confiscate Two Vessels, One Loaded with 25,000 Metric Tonnes of Suspected Crude Oil**

Reuters, 16:19 May 8, 2012

## Energy Prices

U.S. Oil and Gas Prices			
May 9, 2012			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	96.33	105.31	100.32
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	2.27	2.29	4.38

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](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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