



ENERGY ASSURANCE DAILY

Friday Evening, May 10, 2013

Electricity

Update: Dominion Seeks Higher Water Temperature Limit for Its Millstone Nuclear Power Plant in Connecticut

Dominion Resources Inc. on Friday submitted an application to the U.S. Nuclear Regulatory Commission (NRC) asking for permission to operate its Millstone nuclear power plant with a higher hot water temperature limit of 80 degrees in an effort to mitigate rising temperatures that have in the past disrupted operations. Last August operators were forced to shut Millstone Unit 2 for two weeks because the average temperature of water supplied by the Niantic Bay, in the Long Island Sound, exceeded the current 75-degree threshold. Millstone Unit 1, which draws in cooler water from deeper in the sound, remained open during the period when Unit 2 was shut last summer. An NRC decision is not due until 2014.

<http://online.wsj.com/article/AP2788b3eb70aa499ba17a1945f58c8777.html>

Update: TVA's 1,118 MW Browns Ferry Nuclear Unit 2 in Alabama at Full Power by May 10

Browns Ferry 2 returned from an outage that began March 14, when operators shut the unit to repair a reactor core isolation cooling system valve. Operators restarted the unit by May 5.

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

GenOn's 130 MW Mandalay Natural Gas-Fired Unit 3 in California Returns to Service by May 9

The unit returned from an unplanned outage that began by May 6.

<http://content.aiso.com/unitstatus/data/unitstatus201305091515.html>

<http://content.aiso.com/unitstatus/data/unitstatus201305061515.html>

Petroleum

Marathon Reports 500 Barrels of Diesel Fuel Leaked from Shut 8-Inch Products Pipeline in Indiana

Marathon Petroleum Corp. reported early Friday morning that approximately 500 barrels of diesel fuel leaked from an 8-inch product pipeline running from its Robinson, Illinois refinery to a storage facility in Lima, Ohio, according to a filing with the U.S. National Response Center. The fuel leaked into a retention pond in Marion County, Indiana. Operators secured the release and were investigating the cause of the release. The pipeline has been down since March as it was not needed for supply purposes, a company spokesman said.

Reuters, 08:07 May 10, 2013

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1046612

Update: Shell Says Its 156,400 b/d Martinez, California Refinery Back at Planned Rates by May 10

Shell Oil Co. on Friday said its Martinez refinery was back at planned rates following an upset on an unspecified process unit on Monday. The refinery had reported an unspecified unit was shut on Monday after operators discovered an isolation valve was leaking a "pitch-like" material. Traders in the region at that time said operators had shut the delayed coker unit, and said Thursday that the refinery was restarting a coking unit, but Shell declined to comment.

Reuters, 17:36 May 9, 2013

<http://www.foxbusiness.com/news/2013/05/10/shell-martinez-calif-refinery-back-at-planned-rates/>

Valero Reports Flaring at Its 83,000 b/d Houston, Texas Refinery after SRU Trips During Thunderstorm May 10

Valero Energy Corp. reported increased flaring was likely as it worked to restore normal operations at its Houston refinery Friday after severe weather affected operations, according to a community information line. The refinery had earlier reported that one of the plant's sulfur recovery units (SRU) had tripped offline during a heavy thunderstorm, leading to flaring. There was no material impact on production, a spokesman said.

Reuters, 12:47 May 10, 2013

Valero Reports Flaring at West Plant of Its 142,000 b/d Corpus Christi, Texas Refinery May 10

Valero Energy Corp. reported flaring at the west plant of its Corpus Christi refinery, according to a filing with the Corpus Christi / Nueces County Local Emergency Planning Committee.

Reuters, 11:18 May 10, 2013

Alon to Receive U.S. Inland Crude by Rail at Its 80,000 b/d Krotz Spring, Louisiana Refinery in June; Total Throughput Down to 57,000 b/d in Q2 Due to Ongoing Repairs

Alon Energy USA will start receiving inland U.S. crude by rail at its Krotz Spring refinery next month when the company completes a project to refurbish an offloading facility there, Chief Executive Paul Eisman told analysts on Thursday. The facility is equipped to receive up to 14,000 b/d by rail, but operators will start by receiving 6,000 b/d due to limitations in railroad operations and railcar availability. The company will be working to address these limitations and take additional steps to increase its capacity to receive and process inland crude. The refinery is expected to process a total of 30,000 b/d of cheaper inland crude in the second quarter. The refinery's total throughput will be limited to about 57,000 b/d in the second quarter as repairs continue on a reformer damaged by fire on April 25.

Reuters, 12:51 May 9, 2013

Crescent Point Is Moving 31,500 b/d of Crude Production by Rail, Plans to Increase

Crescent Point Energy Corp. is moving nearly a third of its crude oil production by rail and plans to move more of it that way, Chief Executive Scott Saxberg said Thursday. Crescent moved an average of 31,500 b/d to market by rail in the first 3 months of the year using two loading facilities in Saskatchewan and another in Alberta. Near mid-year, it plans to open its own rail loading facility in Utah to initially move about 5,000 b/d of oil from the Uinta Basin assets it bought late last year. It is currently moving 1,000 of its 9,000 b/d output through a third-party rail facility. The company also aims to increase average daily production to 114,000 boe/d (up 2,000 boe/d), and exit output to 117,000 boe/d from 114,000 boe/d. Crescent reported production of 118,000 boe/d in the first quarter.

[http://www.calgaryherald.com/business/energy-](http://www.calgaryherald.com/business/energy-resources/Crescent+Point+moves+train/8361660/story.html?_lsa=179b-c562)

[resources/Crescent+Point+moves+train/8361660/story.html?_lsa=179b-c562](http://www.calgaryherald.com/business/energy-resources/Crescent+Point+moves+train/8361660/story.html?_lsa=179b-c562)

<http://crescentpointenergy.mwnewsroom.com/Files/05/05867c25-484d-48ac-bf21-e90f2e19f140.pdf>

Natural Gas

Update: Golden Pass Products Announces Key Commercial Agreement for Liquefaction, Export Project at Its Golden Pass LNG Terminal in Sabine Pass, Texas

Golden Pass Products LLC on Thursday announced that its shareholders' affiliates Qatar Petroleum International and ExxonMobil Corp. have signed a Commercial Framework Agreement for the proposed liquefaction project at the Golden Pass LNG terminal in Sabine Pass, Texas. The proposed project involves construction of natural gas liquefaction and export capabilities at the existing Golden Pass LNG terminal. The commercial agreement announced yesterday establishes a framework to sell up to the full 15.6 million metric ton annual (MTA) output of the project, and provides shipping and sales opportunities to existing and new markets, including long-term arrangements for international imports via the United Kingdom's South Hook facility. Golden Pass Products has received U.S. Department of Energy (DOE) authorization for exports to Free-Trade Agreement (FTA) countries, and is awaiting DOE approval to export to non-FTA countries. In addition, Golden Pass Products is advancing preparations for the U.S. Federal Energy Regulatory Commission permitting process and anticipates pre-filing soon.

<http://goldenpassproducts.com/>

Other News

Bureau of Land Management Postpones Oil, Gas Lease Auctions for Monterey Shale Region in California to Concentrate on Existing, In-Process Leases

The U.S. Bureau of Land Management (BLM) recently announced plans to postpone upcoming Federal lease auctions for public lands within the Monterey Shale region in California, citing the need for the agency to first concentrate its resources on enforcing existing leases and process permits to drill that are already in-process, rather than work on new applications. The Monterey Shale, which stretches from Central California down through Southern California, is estimated to hold more than 15.4 billion barrels of recoverable crude oil, according to the U.S. Energy Information Administration. The auction scheduled for later this month would have put more than 1,300 acres of public lands up for bids, and another auctioning about 2,000 acres was put on hold until the end of this year.

http://www.rigzone.com/news/oil_gas/a/126401/California_Postpones_Oil_Gas_Lease_Auctions

International News

Update: Iraq's Sabotaged 350,000 b/d Kirkuk-Ceyhan Pipeline Remains Shut May 10; Repairs Expected to Finish by May 11 – Sources

Two sources at Iraq's state-owned Northern Oil Company on Friday said maintenance teams were still repairing the sabotaged Kirkuk-Ceyhan crude oil pipeline and expected to finish on Saturday. The pipeline carries crude oil from northern Iraq to a Turkish port on the Mediterranean Sea. Militants blew up the line Monday night, stopping the flow of oil, and an Iraqi oil ministry spokesman said earlier this week that repairs would be completed by Thursday afternoon.

Reuters, 09:21 May 10, 2013

Energy Prices

U.S. Oil and Gas Prices			
May 10, 2013			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	94.19	95.49	96.69
NATURAL GAS Henry Hub \$/Million Btu	3.87	4.28	2.36

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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