



ENERGY ASSURANCE DAILY

Wednesday Evening, May 29, 2013

Electricity

Thunderstorms Cut Power to 21,000 ComEd Customers in Chicago May 28

Thunderstorms packing 60-mph wind gusts, hail, and torrential rainfall knocked out power to 21,000 ComEd customers in Chicago Tuesday night. As of 3:30 p.m. EDT today, 619 customers remained without power.

<https://www.comed.com/layouts/comedsp/OutageMap.aspx>

<http://www.suntimes.com/news/metro/20402548-418/severe-thunderstorms-bring-torrential-rain-tornado-warning.html>

Met-Ed Continues Vegetation Management Work to Enhance System Reliability in Pennsylvania

Metropolitan Edison Company (Met-Ed) on Tuesday reported it continues to conduct vegetation management work in its Pennsylvania service area as part of ongoing efforts to help enhance system reliability. The tree trimming and vegetation management work is done on a four-year cycle to ensure proper clearances around electric circuits and equipment and help reduce tree-related outages, particularly during severe weather. To date, Met-Ed tree contractors have trimmed more than 1,100 circuit miles of electric lines as part of its program for 2013, with an additional 1,700 miles expected to be completed by year-end.

https://www.firstenergycorp.com/content/fecorp/newsroom/news_releases/met-ed-continues-vegetation-management-work-to-enhance-system-re.html

Dominion's 917 MW North Anna Nuclear Unit 2 in Virginia Shut after Feedwater Discharge Valve Malfunctions May 28

Dominion Resources reported that on Tuesday afternoon, operators at its North Anna plant manually tripped Unit 2 from approximately 98 percent power due to decreasing steam generator levels as a result of a main feedwater system transient, according to a filing with the U.S. Nuclear Regulatory Commission. The main feedwater system transient was initiated when a main feedwater pump discharge valve spuriously closed. Operators are investigating the cause of the spurious closure. All safety systems responded as designed, and Unit 2 is in the normal shutdown electrical line-up. Unit 1 was not affected by this event.

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

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2013/20130529en.html>

Update: Constellation's 835 MW Calvert Cliffs Nuclear Unit 2 in Maryland Ramped Up to 45 Percent by May 29

Calvert Cliffs Unit 2 is returning from an outage that began May 21, when operators tripped the reactor from full power after the No. 22 steam generator feed pump exhibited high vibrations and signs of coupling damage.

Operators restarted the unit by May 23.

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

Exelon's 619 MW Oyster Creek Nuclear Unit in New Jersey Reduced to 70 Percent by May 29

On the morning of May 28 the unit was operating at full power.

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

Constellation's 1,120 MW Nine Mile Point Nuclear Unit 2 in New York Reduced to 65 Percent by May 29

On the morning of May 28 the unit was operating at full power.

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

San Miguel Restarts 410 MW San Miguel Coal-Fired Unit 1 in Texas after Replacing Faulty Transformer May 28

San Miguel Electric Cooperative, Inc. reported it was restarting Unit 1 Tuesday after an outage to replace the Unit Step-up Transformer, according to a filing with the Texas Commission on Environmental Quality. Operators had reported they restarted the unit May 12 after it tripped on a transformer phase differential; operators later determined it would be best to replace the Unit Step-up Transformer. Emissions related to the restart continued for about 6 hours Tuesday.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=183279>

AES's 496 MW Redondo Natural Gas-Fired Unit 8 in California Returns to Service by May 28

The unit returned from an unplanned outage that began by May 26. Prior to the unplanned outage, Unit 8 was curtailed by 46 MW due to unplanned causes since May 23.

<http://content.caiso.com/unitstatus/data/unitstatus201305261515.html>

<http://content.caiso.com/unitstatus/data/unitstatus201305221515.html>

Senator Calls for Federal Probe to Determine Whether SCE Misled Regulators about Steam Generators at Its San Onofre Nuclear Power Plant in California

U.S. Sen. Barbara Boxer on Tuesday called for a Federal investigation to determine whether Southern California Edison (SCE), the utility that operates the idled San Onofre Nuclear Generating Station, intentionally misled regulators regarding the installation of faulty steam generators. Both reactors at the San Onofre plant have been shut since January 2012, when operators discovered extensive, premature tube wear on the steam generators in both units. Sen. Boxer is calling attention to two letters SCE sent to the generators' manufacturer, Mitsubishi Heavy Industries, that might indicate wrongdoing: a November 2004 letter that could indicate SCE misled regulators to avoid a lengthy and costly review of its plans to install the new steam generators, and a June 2005 letter that seems to indicate the company had raised concerns about aspects of the generator design that could impact tube wear. Edison said the letters show the company "exercised responsible oversight" while the generator designs were being developed.

<http://www.edison.com/pressroom/pr.asp?id=8131>

<http://finance.yahoo.com/news/sen-lashes-management-ailing-nuke-004032121.html>

<http://www.reuters.com/article/2013/05/28/utilities-edison-sanonofre-idUSL2N0E91ML20130528?feedType=RSS&feedName=governmentFilingsNews&rpc=43>

Update: D.C. Circuit Court Upholds Rule Delaying Construction on Sunflower Electric's Proposed 875 MW Coal-Fired Power Plant in Kansas

The D.C. Circuit Court on Tuesday dismissed an appeal by Sunflower Electric Power Corp. of a ruling requiring environmental review of Sunflower's proposed 875 MW coal-fired power plant in Holcomb, Kansas. The decision lets stand a January 2013 District Court ruling that the Rural Utilities Service (RUS), which is part of the U.S. Department of Agriculture, must complete an environmental impact study before granting any approvals to Sunflower for its proposed Holcomb plant. The decision will likely delay construction on the plant, but Sunflower has not said how the ruling will impact its plans to build the plant.

[http://www.cadc.uscourts.gov/B37DD9668DBC794785257B790052AFE2/\\$file/12-5095-1438026.pdf](http://www.cadc.uscourts.gov/B37DD9668DBC794785257B790052AFE2/$file/12-5095-1438026.pdf)

<http://enewspf.com/proposed-kansas-coal-fired-power-plant-halted-pending-review.html>

<http://www.holcombstation.com/>

Petroleum

Magellan Shuts 8-Inch Products Pipeline in Kansas after Monitoring System Indicates Diesel Spill May 29; No Leak Yet Confirmed

Magellan Midstream Partners LP on Wednesday said that one of its pipelines in Kansas remained shut after a computer monitoring system warned of a potential diesel spill, though no leak has yet been officially confirmed. The 8-inch pipeline primarily transports gasoline and diesel fuel between Kansas City and Atchison, Kansas. The line was transporting diesel fuel on Tuesday when the monitoring system warned of a potential 2,000-barrel spill in Kansas City. Magellan declined to provide the transport capacity of the shut line, and did not have an estimate on when the line might resume operations.

Reuters, 11:54 May 29, 2013

Update: Tesoro Restarts Unspecified Units at Its 166,000 b/d Martinez, California Refinery by May 29

Tesoro Corp. reported the startup of an unspecified unit and an unspecified “major” unit at its Martinez refinery on Friday and Saturday, respectively, according to a filing with the Contra Costa County Health Department Hazardous Materials Program. The refinery had reported May 17 that it was restarting major units after a power outage affected the boiler house and led to unit shutdowns. Last week, operators reported the startup of a hydrotreater and said they were preparing to restart the fluid catalytic cracking unit.

Reuters, 10:15 May 29, 2013

Phillips 66 Shuts HCU after Process Leak Releases Hydrogen Sulfide at Its 362,000 b/d Wood River, Illinois Refinery May 28

Phillips 66 reported a hydrocracker unit (HCU) at its Wood River refinery was shut Tuesday following a process leak that released hydrogen sulfide, according to a filing with the U.S. National Response Center.

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1048548

Update: Citgo Brings Compressor Back Online after Repairs at Its 167,000 b/d Lemont, Illinois Refinery by May 29

Citgo Petroleum Corp. reported a compressor at its Lemont refinery was back online after the completion of planned repairs. Operators on May 18 reported an unspecified compressor failure at the refinery. The company later said the incident did not have an impact on production levels.

Reuters, 11:52 May 29, 2013

Furnace Stack Malfunction Shuts Unit at Phillips 66’s 247,000 b/d Sweeny, Texas Refinery May 28

Phillips 66 reported that on Tuesday morning, the Unit 35 furnace at its Sweeny refinery tripped when a stack damper stuck in a closed position, which caused Unit 35 to shut, causing flaring, according to a filing with the Texas Commission on Environmental Quality. Intermittent flaring related to this incident continued for about 9 hours Tuesday.

<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=183321>

Citgo Reports Flaring at Its 163,000 b/d Corpus Christi, Texas Refinery May 28

Citgo Petroleum Corp. reported unspecified flaring at the West plant of its Corpus Christi refinery, according to a filing with the Corpus Christi/Nueces County Local Emergency Planning Committee on Tuesday.

Reuters, 15:27 May 28, 2013

Natural Gas

Update: Cheniere Commences Construction on Sabine Pass Liquefaction Trains 3 and 4; Buys Creole Trail Pipeline to Source Domestic Natural Gas for the Sabine LNG Project

Cheniere Energy Partners, L.P. announced today that it has made a positive final investment decision for the development and construction of Trains 3 and 4 of the Sabine Pass Liquefaction Project. The company is developing natural gas liquefaction facilities at the Sabine Pass LNG terminal adjacent to the existing regasification facilities. It plans to construct up to six natural gas liquefaction trains, which are in various stages of development and expected to each have a capacity of approximately 4.5 million tonnes per annum. The company has now completed all milestones to start construction on the first four liquefaction trains. Construction on Trains 1 and 2 commenced last August and is approximately 30 percent complete. Construction on Trains 3 and 4 will start immediately. First LNG is expected to be delivered by late 2015. Additionally, the company expects to complete all of the required resource reports to file an application with the U.S. Federal Energy Regulatory Commission for Trains 5 and 6 by September 2013. Cheniere Partners has also completed the acquisition of the Creole Trail Pipeline from subsidiaries of Cheniere Energy, Inc. The 94-mile Creole Trail Pipeline will be used by the Liquefaction Project to source domestic natural gas for processing into liquefied natural gas (LNG).

<http://phx.corporate-ir.net/phoenix.zhtml?c=207560&p=irol-newsArticle&ID=1824876>

Update: Williams-Boardwalk JV Proposes Bluegrass Pipeline to Deliver Marcellus and Utica NGLs to the Gulf Coast, Related Fractionation and Storage Projects

Williams and Boardwalk Pipeline Partners, LP yesterday announced that they have executed a joint venture agreement to continue the development process for Bluegrass Pipeline, a project that would transport natural gas liquids (NGLs) from the Marcellus and Utica shale plays to the expanding petrochemical and export complex on the U.S. Gulf Coast, as well as the developing petrochemical market in the Northeast United States. Phase one of the proposed pipeline would provide producers with 200,000 b/d of mixed NGLs take-away capacity in Ohio, West Virginia, and Pennsylvania. Phase two would increase capacity to 400,000 b/d to meet market demand, primarily by adding additional liquids pumping capacity. The pipeline would deliver mixed NGLs from these producing areas to proposed new fractionation and storage facilities, which would have connectivity to petrochemical facilities and product pipelines along the coasts of Louisiana and Texas. Williams and Boardwalk expect that the planned project could be placed into service in late 2015 assuming all necessary conditions are met.

<http://www.b2i.us/profiles/investor/NewsPrint.asp?b=630&ID=62970&m=rl&pop=1&cat=1799&G=343>

Other News

Canada Seeks to Double Oil and Gas Pipeline Inspections by the National Energy Board

Canada's Responsible Resource Development plan, announced last year and recently promoted abroad by Minister of Natural Resources Joe Oliver, includes an action plan for enhancing pipeline and marine safety. The plan calls for increasing the number of inspections by the National Energy Board for oil and gas pipelines by 50 percent annually to improve pipeline safety across Canada, and doubling the number of comprehensive audits for oil and gas pipelines to identify safety issues before they occur. The plan also calls for action to strengthen tanker safety by improving inspections, aids to navigation, and pollution risks.

<http://actionplan.gc.ca/en/backgrounder/r2d-dr2/enhancing-pipeline-and-marine-safety>

<http://actionplan.gc.ca/en/news/r2d-dr2/minister-oliver-promotes-canadas-environmental>

International News

Ecopetrol Shuts 70,000 b/d Cano Limon Crude Oil Pipeline in Colombia by May 27 after Rebel Bomb Attack

Ecopetrol SA on Monday reported its 480-mile Cano Limon pipeline was shut after rebels reportedly used dynamite to blow up a portion of the line near the village of Guachiman, in the northern state of Norte de Santander, which borders Venezuela. The pipeline is used by Ecopetrol and Occidental Petroleum Corp., which jointly own the Cano Limon oilfield in northeastern Colombia, to ship oil for export to the Atlantic Coast. It has the capacity to transport 200,000 b/d of oil, but it has for the last several years averaged a rate closer to 70,000 b/d. Ecopetrol said the line will remain shut until repair crews fix the damage. No group has yet claimed responsibility for the attack.

<http://www.hydrocarbonprocessing.com/Article/3210846/Latest-News/Ecopetrol-shuts-Cano-Limon-pipeline-in-Colombia-after-rebel-bomb-attack.html>

Update: Yemen Resumes Flows on Its 125,000 b/d Maarib Crude Oil Pipeline after Repairs May 27

Yemen on Monday finished repairs and resumed flows on its main crude oil pipeline linking oilfields in the country's Maarib province to an export terminal on the Red Sea, the Interior Ministry said. Unidentified saboteurs had blown up a portion of the line on May 24.

Reuters, 15:13 May 28, 2013

Police Rescue 4 Foreign Oil Workers Abducted Offshore Bayelsa State in Nigeria Last Month

Nigerian police on May 22 rescued four foreign oil workers abducted on April 22 off the coast of Bayelsa state, in the Niger River delta, officials said Sunday.

<http://www.bloomberg.com/news/2013-05-26/nigerian-police-rescue-4-foreign-oil-workers-abducted-in-bayelsa.html?cmpid=yhoo>

Pirates Attack Oil Products Tanker Offshore Bayelsa State in Nigeria May 26

Armed pirates attacked an oil products tanker off the coast of Nigeria and abducted an unknown number of crew, security sources said. The Nigerian-flagged *MT Matrix* was boarded by gunmen in the early hours of Saturday off the coast of Bayelsa state. A spokesman for ship operator Val Oil Trading confirmed there had been an “incident,” without giving further details.

<http://www.incyprus.com.cy/en-gb/world-news/4329/35205/tanker-attacked-off-nigeria>

Energy Prices

U.S. Oil and Gas Prices			
May 29, 2013			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	93.62	96.02	91.93
NATURAL GAS Henry Hub \$/Million Btu	4.19	4.10	2.56

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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