



# ENERGY ASSURANCE DAILY

Thursday Evening, June 07, 2012

## Electricity

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### **Storms Cuts Power to nearly 30,000 Utility Customers in Texas June 6**

Heavy rains and strong winds cut power to thousands of utility customers in the Dallas-Fort Worth area and into Central Texas Wednesday afternoon. Oncor Electric reported it had 26,000 customers without power system-wide at the peak of the storm. That number was down to about 14,000 customers this morning and as of 4:00 PM ET, Oncor reported 3,726 customers remained without power. Austin Energy reported 3,200 of its customers lost power during the storm, and CenterPoint Energy reported 510 customers in Houston without power.

[http://www.ktxs.com/texas\\_news/31166651/detail.html](http://www.ktxs.com/texas_news/31166651/detail.html)

<http://www.star-telegram.com/2012/06/07/4014801/heavy-rains-gusty-winds-roll-through.html?video=true>

<http://stormcenter.oncor.com/default.html>

### **Update: PPL Finds No Turbine Blade Cracks on Its 1,111 MW Susquehanna Nuclear Unit 2 in Pennsylvania**

PPL Susquehanna LLC announced it has found no turbine blade cracks on Susquehanna nuclear Unit 2, which it shut May 30 for inspection after discovering cracks on some Unit 1 turbine blades. Operators determined PPL does not need to replace blades on the Unit 2 turbine, but the company will install more diagnostic equipment on the turbine before restarting the unit, according to a PPL executive.

<http://finance.yahoo.com/news/unit-1-susquehanna-nuclear-plant-053400560.html>

### **Update: Entergy's 951 MW Indian Point Nuclear Unit 2 in New York Restarts, Ramps Up to 1 Percent by June 7**

Entergy Corp's Indian Point Unit 2 began exiting an outage that began yesterday, when the unit tripped due to an electric generator malfunction.

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

[http://www.reuters.com/article/2012/06/07/utilities-entergy-indianpoint-](http://www.reuters.com/article/2012/06/07/utilities-entergy-indianpoint-idUSL1E8H73BH20120607?feedType=RSS&feedName=governmentFilingsNews&rpc=43)

[idUSL1E8H73BH20120607?feedType=RSS&feedName=governmentFilingsNews&rpc=43](http://www.reuters.com/article/2012/06/07/utilities-entergy-indianpoint-idUSL1E8H73BH20120607?feedType=RSS&feedName=governmentFilingsNews&rpc=43)

### **Update: FPL's 839 MW Saint Lucie Nuclear Unit 1 in Florida Restarts June 6, Ramps Up to 48 Percent by June 7**

Saint Lucie nuclear Unit 1 is returning from an outage that began June 2, when the reactor automatically tripped due to a loss of load caused by an instantaneous failure of the turbine control system.

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

### **Update: Dominion's 810 MW Surry Nuclear Unit 1 in Virginia Restarts June 6, Ramps Up to 30 Percent by June 7**

On the morning of June 6 the unit was operating at 1 percent. The unit is returning from an outage that began May 6.

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

### **FirstEnergy's 1,235 MW Perry Nuclear Unit 1 in Ohio Reduced to 60 Percent by June 7**

On the morning of June 6 the unit was operating at full power.

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

### **San Miguel Restarts 400 MW San Miguel Coal-Fired Unit June 6 after Boiler Repairs**

San Miguel Electric Cooperative, Inc. reported it restarted a coal-fired unit at its San Miguel plant in Texas yesterday evening after completing repairs to fix a boiler tube leak, according to a filing with the Texas Commission on Environmental Quality.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=169310>

## **Update: AEP Restarts 721 MW Pirkey Coal-Fired Unit in Texas June 7 after Boiler Repairs**

American Electric Power (AEP) restarted the coal-fired unit at its Pirkey plant in Texas today after completing boiler repairs, according to a filing with the Texas Commission on Environmental Quality. Operators shut the unit June 2 to repair a boiler tube leak. Emissions were expected during the restart and could continue through June 11, the filing said.

[http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main\\_getDetails&target=169217](http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main_getDetails&target=169217)

## **Update: CDWR's 933 MW Hyatt-Thermalito Hydro Unit in California Returns to Service by June 6**

The unit returned from a curtailment of 640 MW, which due to planned and unplanned causes.

<http://content.caiso.com/unitstatus/data/unitstatus201206061515.html>

## **Update: PG&E's 119 MW Belden Hydro Unit in California Returns to Service by June 6**

The unit returned from an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201206061515.html>

## **Ameren, Westinghouse Discuss Proposal to Build New 225 MW Small Modular Reactors at Ameren's Callaway Nuclear Power Plant in Missouri**

Westinghouse Electric Company and Ameren Corp. on Wednesday briefed members of the Missouri Public Service Commission on their proposal for expanding nuclear energy infrastructure in the state. In April the two companies announced they had entered into an agreement to respond collaboratively to the U.S. Department of Energy (DOE) Funding Opportunity Announcement (FOA) for developing and licensing the Westinghouse Small Modular Reactor (SMR), a 225 MW integral pressurized water reactor that takes approximately 2 years to build. Upon securing DOE support, Westinghouse and Ameren Missouri will then work collectively to seek design certification and a combined construction and operating license with the U.S. Nuclear Regulatory Commission for the Westinghouse SMR at Ameren Missouri's Callaway Nuclear Plant. The companies anticipate DOE will announce a funding award decision in September.

<http://finance.yahoo.com/news/energy-firms-discuss-nuclear-plans-140559261.html>

<http://westinghousenuclear.mediaroom.com/index.php?s=43&item=321>

## ***Petroleum***

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### **Kinder Morgan Resumes Operation of CALNEV Products Pipeline in California after Pump Seal Malfunction Causes Minor Spill June 6**

Kinder Morgan Energy Partners LP reported its CALNEV pipeline was operating normally Wednesday after workers repaired a leak at a pump station near Baker, California that caused a minor spill. A pump seal malfunction at a booster station caused less than 5 gallons of fuel to spill, a company spokeswoman said in an email. Workers finished cleaning the spill, completed repairs to the seal, and returned the line to service, the spokeswoman said. The incident did not impact supplies. Kinder Morgan's approximately 550-mile CALNEV pipeline system transports gasoline, diesel, and jet fuel from Los Angeles refineries and marine terminals through parallel 14- and 8-inch pipelines extending to terminals in Barstow, California and Las Vegas, Nevada.

<http://www.bloomberg.com/news/2012-06-06/kinder-morgan-operates-calnev-pipeline-following-repairs-1-.html?cmpid=yahoo>

[http://www.kindermorgan.com/business/products\\_pipelines/calnev.cfm](http://www.kindermorgan.com/business/products_pipelines/calnev.cfm)

### **Update: Seaway Pipeline Makes First Delivery of Crude Oil to Texas Gulf Coast June 6**

Enterprise Products Partners L.P. and Enbridge Inc. announced that the initial volumes of crude oil through the Seaway Pipeline were delivered to the Jones Creek facility, near Freeport, Texas, late yesterday morning. The arrival marks the first southbound delivery of crude by pipeline from the Cushing hub, and gives producers access to all of the major refineries in the Greater Houston area and Texas City. Current capacity is 150,000 b/d; work is underway and on schedule to add incremental pumping capacity that would allow the pipeline to transport up to 400,000 b/d by the first quarter of 2013.

<http://phx.corporate-ir.net/preview/phoenix.zhtml?c=80547&p=irol-newsArticle&ID=1703177>

### **Update: Suncor Restores Normal Operations at Its 93,000 b/d Commerce City, Colorado Refinery June 1 after Motor Repairs**

Suncor Energy restored normal operations at its Commerce City refinery after a 4-day shutdown last week caused when brief emissions from a fluid catalytic cracking unit (FCCU) were linked to a motor malfunction, according to a local news report. On May 28 Suncor reported an SVU unit malfunction in a filing with the U.S. National Response Center.

[http://www.denverpost.com/environment/ci\\_20800201/suncor-oil-refinery-back-up-after-release-dust](http://www.denverpost.com/environment/ci_20800201/suncor-oil-refinery-back-up-after-release-dust)  
[http://www.nrc.uscg.mil/reports/rwservlet?standard\\_web+inc\\_seq=1012856](http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1012856)

### **Update: CDU to Remain Shut for Valve Repairs until the Weekend at Motiva's 600,000 b/d Port Arthur, Texas Refinery – Sources**

The newly commissioned 325,000 b/d crude distillation unit (CDU) at Motiva's Enterprises' Port Arthur refinery will remain out of production until the weekend, sources familiar with refinery operations said on Wednesday.

Operators took the unit out of production on Monday to repair leaking valves, the sources said.  
Reuters, 11:39 June 6, 2012

### **Update: Production Not Affected by Recent HCU, SCOT Snags at Valero's 310,000 b/d Port Arthur, Texas Refinery**

Valero Energy Corp. on Wednesday said operations at its Port Arthur refinery were not materially impacted by recent production-unit upsets, according to a spokesman. The company reported in filings with state regulators two incidents, one involving a hydrocracking unit (HCU) and another involving a shell clause off-gas treating (SCOT) unit, had led to emissions early this week. The spokesman said the HCU was back at planned rates, but he didn't comment on the status of the SCOT unit, saying only that the incident has had no material impact on production.

<http://www.nasdaq.com/article/valero-port-arthur-refinery-production-not-affected-by-recent-snags-20120606-01686>

### **Update: USW Workers Accept 3-Year Contract at Tesoro's 166,000 b/d Martinez, California Refinery June 6**

United Steelworkers (USW) union Local 5 workers at Tesoro Corp.'s Martinez, California refinery on Wednesday voted to accept a new 3-year contract with the company. USW Local 5 members had rejected a contract offer May 21 and voted to authorize a strike if the union couldn't reach an agreement with Tesoro. Tesoro has now secured new contracts with all six of its USW-represented refineries: Anacortes, Washington; Kapolei, Hawaii; Wilmington, California; Mandan, North Dakota; Salt Lake City, Utah; and Martinez, California.

Reuters, 23:44 June 6, 2012

### **Update: Strike Continues at Husky's 155,000 b/d Lima, Ohio Refinery June 6 after Negotiations with USW Workers Fail**

Negotiations on Wednesday between Husky Energy Inc. and the United Steelworkers (USW) Local 624 failed to produce an agreement to end a 13-day strike at Husky's Lima refinery in Ohio. 240 USW workers began a strike on May 25, but the refinery has continued to operate normally with salaried employees standing in for striking union members. No dates for future meetings have been set.

Reuters, 20:27 June 6

### **Update: Pace Says Oil-Mixture Pipeline Spill in Alberta Is Smaller Than First Estimated**

Pace Oil & Gas Ltd. said it initially miscalculated the size of the spill from a pipeline carrying oil and water in Northwest Alberta, cutting the estimate from about 20,000 barrels to 5,000 barrels, according to a company executive. The pipeline was carrying an emulsion that was roughly 70 percent water and 30 percent oil. The leak was discovered May 19 roughly 20 kilometers southeast of Rainbow Lake. Investigators have not yet determined what caused the spill, and reports did not indicate whether the spill has yet been contained.

DJN, 10:24 June 7, 2012

### **NGPL Declares Force Majeure Due to Fire on Segments of Amarillo Natural Gas Pipeline System in Texas June 6**

Natural Gas Pipeline Company of America (NGPL) declared force majeure beginning June 6 on its Oklahoma Extension #1 pipeline after a fire ignited on the line just west of Compressor Station 154 in Gray County, Texas, according to notices filed online. This has resulted in a reduction in throughput capacity through Segments 5 and 6 in NGPL's Midcontinent Zone of the Amarillo System, potentially impacting all upstream supply in Segments 2, 5, and 6. Kinder Morgan Energy Partners, L.P., which operates and owns a 20 percent interest in NGPL, reported the fire that closed the line was extinguished Wednesday afternoon, and the company was diverting gas to other lines, according to a spokesman.

<http://www.reuters.com/article/2012/06/06/usa-natgas-kinder-fm-idUSL1E8H6BIQ20120606?feedType=RSS&feedName=industrialsSector&rpc=43>  
<http://pipeline.kindermorgan.com/infoposting/notices.aspx?type=CRIT>

### **TravelCenters of America, Shell to Create a Network of Natural Gas Fueling Lanes at Stations along the U.S. Interstate Highway System**

TravelCenters of America LLC (TA) today announced that it has entered a memorandum of understanding with Shell Oil Products US and its affiliates to construct and operate a network of natural gas fueling lanes at TA locations along the U.S. Interstate Highway System. The memorandum of understanding contemplates that Shell will construct and TA will operate at least 200 natural gas fueling lanes on at least 100 TA locations. Additional TA locations may be added depending upon customer demand. The locations will be jointly selected by TA and Shell with the intention of creating the infrastructure required to allow natural gas powered trucks to travel across the United States.

<http://investor.shareholder.com/ta/releasedetail.cfm?ReleaseID=681122>

### **Regency Reports AGI Compressor Problems at Its 290 MMcf/d Waha Gas Plant in Texas June 5-6**

Regency Energy Partners reported that third-party source gas with relatively high levels of carbon dioxide (CO<sub>2</sub>) was causing over-pressure conditions in the injection system at its Waha plant Tuesday afternoon, according to a filing with state regulators. These conditions caused the acid gas injector (AGI) compressor to shut five times on fifth-stage high pressure alarms. Operators were redirecting a portion of all incoming gas to a nearby processor, and the owner of the high-CO<sub>2</sub> gas reduced flow to the Waha plant. Later that day, the o-rings on an end cap attached to the discharge side of the AGI compressor became brittle and failed. Operators purged the injection system and replaced the o-rings, restarting the unit the following morning.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=169348>  
<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=169369>

## **Other News**

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### **NRC Issues Confirmatory Order to Maine Yankee, Connecticut Yankee, and Yankee Rowe on Foreign Ownership Issues**

The U.S. Nuclear Regulatory Commission (NRC) has issued Confirmatory Orders to Connecticut Yankee Atomic Power Co., Yankee Atomic Electric Co., and Maine Yankee Atomic Power to incorporate plans into their licenses to negate the effects of foreign ownership of their companies. In April 2011, while reviewing an indirect license transfer request involving the merger of Northeast Utilities (NU) and NSTAR, NRC staff discovered that the three Yankee companies—subsidiaries of NSTAR and NU—had significant foreign ownership. The previous changes in ownership occurred incrementally over time through transactions that did not affect the NRC licenses or require NRC approval. Under the June 5 Confirmatory Order, the negation action plans implemented by the companies should ensure that the partial foreign ownership of the companies does not lead to foreign control, domination or influence over the companies' decision-making on matters relating to public health and safety, security, or access to classified information.

<http://pbadupws.nrc.gov/docs/ML1215/ML12158A211.pdf>

## International News

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Nothing to report

## Energy Prices

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U.S. Oil and Gas Prices			
June 7, 2012			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	85.02	86.90	98.19
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	2.41	2.39	4.83

Source: Reuters

## Links

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***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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