



# ENERGY ASSURANCE DAILY

Wednesday Evening, June 26, 2013

## *Major Developments*

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### **Update: Enbridge Restarts 600,000 b/d Waupisoo Pipeline in Alberta June 26; Confirms Line 37 Oil Spill Caused by Heavy Rainfall**

Enbridge Inc. today confirmed the return to service of its 600,000 b/d Waupisoo Pipeline (Line 18) between its Cheecham Terminal and Edmonton and provided a further update on the latest status of its Regional Oil Sands System following the release of from Line 37 pipeline on June 22. The release on Line 37, which connects the Long Lake Oil sands project to Enbridge's Cheecham Terminal, is believed to have resulted from ground movement on the right-of-way as a result of recent unprecedented precipitation levels which exceeded a 1 in 100 year event. Enbridge shut down all pipelines in the area as a precaution. The southern segment of the 345,000 b/d Athabasca Pipeline (Line 19) between Cheecham and Hardisty was subsequently returned to service on June 23 and on June 25, the Alberta Energy Regulator approved the restart of the Waupisoo Pipeline between Cheecham and Edmonton. However, the Athabasca (Line 19) and Wood Buffalo (Line 75) pipelines between Fort McMurray and Cheecham and Line 37 remain shut down as Enbridge completes data gathering and engineering analysis of the lines. Heavy equipment and crews have been mobilized to the site to augment resources, but extremely wet working conditions continue to pose challenges to response efforts. With the Waupisoo Pipeline and the southern segment of the Athabasca Pipeline back in service, Enbridge will be able to continue to transport production from the Surmont, Christina Lake and Leismer oil sands projects.

<http://www.enbridge.com/MediaCentre/News/Line-37.aspx>

Reuters, 9:31 June 26, 2013

### **TransCanada's 590,000 b/d Keystone Crude Oil Pipeline System Not Affected by Heavy Rains, Flooding in Alberta Despite Drop in Flows June 25**

TransCanada Corp. said Tuesday that its Keystone pipeline system has not been affected by record flooding in Alberta and is operating normally. Despite the fact that flows on the pipeline had slowed from 580,000 b/d to 357,000 b/d on Tuesday, the company said the system remained able to transport at full capacity. The Keystone pipeline transports heavy crude oil produced from the Alberta oil sands to refineries in Illinois and Oklahoma. Reuters, 12:49 June 25, 2013

## *Electricity*

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### **Update: New Storms Hinder Restoration in Midwest; 30,000 Without Power in Indiana and Michigan June 26**

As of Wednesday afternoon, approximately 13,539 NIPSCO customers in Indiana and 15,600 Indiana Michigan Power customers in Indiana and Michigan remained without power two days after a line of thunderstorms knocked out power to 488,796 customers across the Midwest. The Wednesday afternoon outage figures include outages from the Monday storms, which knocked out power to 87,000 NIPSCO and 36,000 Indiana Michigan Power customers, as well as new outages from storms that impacted the area the Tuesday night. Other utilities affected by Monday's storms had largely restored power by Wednesday afternoon.

<https://www.indianamichiganpower.com/outages/details.aspx?stormName=June%2024%20Thunderstorm>

<https://www.indianamichiganpower.com/outages>

<http://www.nipscooutages.com/WSSNisourceOutageMap/outagemap.html?action=city&reloaded=true>

### **Update: 3,404 Xcel Customers Remain Without Power in Minnesota June 26**

Xcel Energy reported on Wednesday that electricity in the Twin Cities metro area had been restored to a majority of its customers, with only 3,404 remaining without service. Storms on June 21 knocked out power to more than 600,000 Xcel customers in parts of the Dakotas, Minnesota, and Wisconsin.

<http://www.startribune.com/local/west/212984131.html>

[http://www.xcelenergy.com/Outages/Report\\_a\\_Problem/Outage\\_Map/Outage\\_Map](http://www.xcelenergy.com/Outages/Report_a_Problem/Outage_Map/Outage_Map)

### **Update: OPPD Restores Power to Majority of Customers in Nebraska by June 26**

Omaha Public Power District said Wednesday that it had restored power to all but 1,200 of its customers affected by severe storms on Monday. At the peak of the storm, 52,000 customers were without power. MidAmerican Energy also reported that it had restored power to the approximately 7,000 customers in Council Bluff that lost electricity due to the storm.

<http://www.ctpost.com/news/article/OPPD-Omaha-area-outage-number-drops-below-1-800-4622833.php>

<http://www.klknv.com/story/22671765/morning-storm-causes-outage-in-omaha>

<http://oppdstorminfo.blogspot.com/>

### **New York's Moreland Commission Report on Utility Storm Preparation and Response Points to Deficiencies and 'Troubling Conduct' at LIPA; Proposes Reforms to Utilities**

New York Governor Cuomo on Sunday announced the release of the final report from the Moreland Commission on Utility Storm Preparation and Response. The Commission was charged by Governor Cuomo in November 2012 to investigate and study New York's power utility companies' response to recent storms impacting the State and the adequacy of regulatory oversight of the utilities, as well as review the State's energy agency and authority functions. The Commission's investigation into New York's investor-owned utilities uncovered systemic problems within the industry, including inefficiencies, disorganization, and lack of planning. The report outlines a series of industry-wide and utility specific recommendations aimed at ameliorating the problems identified. The report released Sunday also reflects a series of discoveries regarding the Long Island Power Authority's (LIPA) use of consultants, some of which could indicate State ethics laws were breached. These findings have been referred to Federal prosecutors for their further investigation.

<http://www.governor.ny.gov/press/06232013-utilities-reform>

<http://www.governor.ny.gov/assets/documents/MACfinalreportjune22.pdf>

### **New Jersey BPUC Clears PSE&G for Preliminary Work to Harden Substations Flooded during Hurricane Sandy**

The New Jersey Board of Public Utilities has ordered Public Service Electric & Gas (PSE&G) to begin preliminary design and engineering work on plans to harden 31 electric switching and substations flooded out during Hurricane Sandy, an event that left hundreds of thousands of its customers without power for days. The order deals with a proposal aimed at reducing widespread power outages during extreme weather in the utility's \$3.9 billion Energy Strong plan. During Hurricane Sandy, 58 substations around the State were flooded by the enormous storm surges, knocking out power to tens of thousands of customers at each event. In some cases, the outages caused other major problems, such as the flooding of the Passaic Valley Sewerage Commission plant in Newark, which led to hundreds of millions of gallons of raw sewage flowing into the State's waterways. PSE&G has suggested a range of options to protect the substations and switching stations—such as erecting floodwalls, installing berms, and elevating the structures so they do not flood during extreme weather.

<http://www.njspotlight.com/stories/13/06/23/state-agency-clears-pse-g-for-preliminary-work-on-hardening-grid/>

### **Entergy Corp.'s Indian Point Nuclear Plant will Remain Open Based on NRC's Supplement to Final Environmental Study**

The Nuclear Regulatory Commission (NRC) staff has issued a supplement to the Final Supplemental Environmental Impact Statement (FSEIS) it prepared for the Indian Point nuclear power plant, site of two pressurized-water reactors, license renewal application. An earlier assessment, released in December 2010, was updated to incorporate new information about possible impacts of the Buchanan, New York, facility on the aquatic environment. The initial 40-year operating license for Indian Point Unit 2 is set to expire on September 28, 2013, while the initial license for Indian Point Unit 3 runs through December 12, 2015. Entergy is seeking a 20-year license extension for each unit. As part of its review of the application, the NRC performed a detailed assessment of potential environmental impacts if the plant continues to operate for the extended periods of time. During this review, the NRC solicited comments from the public, local officials and representatives of state and federal agencies and tribal governments. A draft version of the FSEIS supplement was issued on June 26, 2012.

<http://finance.yahoo.com/news/updated-nrc-study-still-supports-182407477.html>

<http://www.nrc.gov/reading-rm/doc-collections/news/2013/13-054.pdf>

## **PG&E Initiates Shutdown of 1,087 MW Diablo Canyon Nuclear Unit 1 in California to Repair Leak June 25**

According to a report filed with the Nuclear Regulatory Commission, Pacific Gas & Electric Co. discovered a through-wall leak at Unit 1 of its Diablo Canyon nuclear plant in California Tuesday. The report indicates that the leak came from a socket weld inside containment that provides a flow path to a relief valve that protects a common portion of both trains of the residual heat removal system. Operators initiated plant shutdown and began repairs. The NRC said the repair work will not take long as it is a maintenance issue. Unit 2 at the plant was operating at full power. As of the morning of June 26, the NRC reported the unit was operating at 50 percent capacity.

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

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2013/20130626en.html>

Reuters, 10:41 June 26, 2013

## **Loss of Offsite Power Results in the Automatic Start of Emergency Diesel Generators at PG&E's Diablo Canyon Nuclear Power Plant in California June 23**

Pacific Gas & Electric (PG&E) reported that on Sunday night, the Diablo Canyon Nuclear Power Plant experienced a loss of the offsite 230-kV startup power due to an offsite transmission system relay actuation, according to a filing with the U.S. Nuclear Regulatory Commission (NRC). This resulted in valid anticipatory starts of three emergency diesel generators each on Units 1 and 2. All diesels successfully started but were not loaded. All systems operated as designed with no problems observed. Restoration of the 230-kV offsite power system was in progress at the time of the filing. Operators issued another filing with the NRC the following day, reporting that on Monday evening, an operator identified that the operators the previous night had momentarily disabled all three Unit 1 emergency diesel generators, prior to restoring them to their automatic standby control alignment. Between 22:01:10 PDT and 22:02:54 PDT, on June 23, less than the required minimum two diesel generators were available to automatically respond to a design basis accident. Due to the event previously reported, the start-up 230-kV power source was also unavailable at this time.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2013/20130624en.html>

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2013/20130625en.html>

## **Entergy's 813 MW FitzPatrick Nuclear Unit in New York Ramped Up to 63 Percent by June 26**

The Nuclear Regulatory Commission reported that on the morning of June 25 the unit was operating at 50 percent.:

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

## **TVA's 1,118 MW Browns Ferry Nuclear Unit 3 in Alabama at Full Power by June 26**

The Nuclear Regulatory Commission reported that on the morning of June 25 the unit was operating at 80 percent.

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

## **Luminant's 565 MW Monticello Coal-fired Unit 2 in Texas Shut June 25**

Luminant said Tuesday that it shut Unit 2 at its Monticello coal-fired plant in Texas due to high waterwall pressure caused by turbine throttle pressure swings. The company did not indicate when the unit would return to service.

Reuters, 10:57 June 26, 2013

## **AEP Restarts 528 MW Welsh Coal-Fired Unit 3 in Texas Following Breaker Fault June 21**

American Electric Power (AEP) restarted Welsh Unit 3 Friday night following a 4-kV breaker fault earlier that day, which had caused a loss of induced draft and forced draft fans, according to a filing with the Texas Commission on Environmental Quality. Emissions related to startup procedures were possible through Saturday evening, the filing said.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=184571>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=184536>

## **NRG's 320 MW Etiwanda Natural Gas-Fired Unit 3 in California Returns to Service by June 23**

The unit returned from an unplanned outage that began by June 22. Prior to the outage, the unit had entered a curtailment of 40 MW by June 21.

<http://content.caiso.com/unitstatus/data/unitstatus201306221515.html>

<http://content.caiso.com/unitstatus/data/unitstatus201306201515.html>

## **NRG to Convert Its 330 MW New Castle Coal-Fired Power Plant in Pennsylvania and Its 732 MW Avon Lake Coal-Fired Power plant in Ohio to Burn Natural Gas**

NRG Energy Inc. said Monday it will convert two coal-fired power plants in the eastern United States to burn natural gas instead. NRG had planned to deactivate the three coal-fired units at the 330 MW New Castle plant in Pennsylvania and two coal-fired units at the 732 MW Avon Lake in Ohio in April 2015. Since its merger with GenOn Energy last December, however, NRG said it is reevaluating all of its coal-fired plants to see if they can be refueled or repowered in a way that meets increasingly stringent environmental requirements. Depending on the time it takes for permitting and construction, NRG said it expects to complete the New Castle and Avon Lake projects sometime around May 2016, pending State and local approvals.

<http://www.reuters.com/article/2013/06/24/utilities-nrg-coal-idUSL2N0F01EP20130624?feedType=RSS&feedName=marketsNews&rpc=43>

## ***Petroleum***

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### **Update: BP Restarts Reconfigured CDU at Its 405,000 b/d Whiting, Indiana Refinery June 24**

BP Plc restarted a 260,000 b/d crude distillation unit (CDU) at its Whiting refinery in Indiana Monday after reconfiguring it as part of an expansion project. The project, which will allow the refinery to run heavier oil and increase gasoline and diesel production by about 40,000 b/d, required the shutdown in November of the Pipestill 12, the refinery's largest of three CDUs. In addition to upgrading the CDU, the refinery has installed a new 102,000 b/d delayed coking unit, new gas-oil hydrotreating and sulfur recovery units, and made other infrastructure improvements.

<http://online.wsj.com/article/BT-CO-20130624-708963.html>

### **Update: Citgo Reports Emissions at Its 167,000 b/d Lemont, Illinois Refinery due to Loss of Power During Severe Weather; Hydrotreater Back at Planned Rates June 25**

Citgo Petroleum Corp. filed a report with the National Response Center Tuesday, indicating that sulfur dioxide emissions from its Lemont refinery in Illinois may have exceeded permitted levels due to a loss of power during severe weather. The company also reported on Monday that a hydrotreater at the refinery was back operating at planned rates. On June 13, the company said the hydrotreater was still down after production returned to normal within hours following a thunderstorm.

[http://www.nrc.uscg.mil/reports/rwservlet?standard\\_web+inc\\_seq=1051689](http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1051689)

Reuters, 10:16 June 26, 2013

### **Flint Hills Reports Power Outage at Its 320,000 b/d Rosemount, Minnesota Refinery June 21**

Flint Hills Resources reported a power outage at its refinery in Rosemount, Minnesota June 21 due to storms. According to a report filed with the National Response Center, 100 pounds of hydrogen sulfide were released.

[http://www.twincities.com/localnews/ci\\_23520652/power-lost-at-refinery-and-manufacturing-facility](http://www.twincities.com/localnews/ci_23520652/power-lost-at-refinery-and-manufacturing-facility)

### **Phillips 66 Restarts Its 44,500 b/d Santa Maria Upgrading Facility in Arroyo Grande, California June 25 after Losing Power June 24**

Phillips 66 was restarting its Santa Maria upgrading facility in Arroyo Grande, California, Tuesday after it lost power the Monday night. The Arroyo Grande upgrading facility is part of the company's 120,000 b/d Rodeo refinery located about 200 miles north in San Francisco. Semi-refined products from the Arroyo Grande facility are sent by pipeline to the Rodeo facility in the San Francisco Bay area for finishing into marketable petroleum products, according to Phillips 66.

<http://www.hydrocarbonprocessing.com/Article/3222967/Latest-News/Phillips-66-restarts-California-refinery-after-outage.html>

### **Chevron Restarts Cogeneration Unit at its 245,000 b/d Richmond, California Refinery Restarts June 25**

Chevron Corp. reported to the Contra Costa Health Services that a cogeneration unit at its Richmond refinery in California restarted Tuesday. The refinery experienced at least 10 minutes of flaring on June 21 caused by swapping hydrogen compressors.

Reuters, 12:35 June 25, 2013

## **Tesoro Reports Startup of ‘Major Unit’ at Its 166,000 b/d Martinez, California Refinery June 23**

According to a filing with Contra Costa Health Services, Tesoro Corp. restarted a major unit at its Martinez refinery in California on Sunday.

Reuters, 19:37 June 24, 2013

## **Tank Overflows at Hess’ Corpus Christi, Texas Petroleum Products Storage Terminal June 23**

Hess reported that Tank 131 at its Corpus Christi petroleum products storage terminal overflowed Sunday, according to a filing with the Texas Commission on Environmental Quality. Operators discovered stained soil and toluene on the side of the tank. The release was 100 percent contained within a diked area.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=184583>

## **TransCanada’s 700,000 b/d Gulf Coast Pipeline Project in Oklahoma Could be Operational by 2014**

TransCanada said its 485 mile Gulf Coast Pipeline in Cushing, Oklahoma, could be finished by the end of the year and send oil through Texas by 2014. The pipeline, which is more than 85% completed, will be 36 inches in diameter, will pass through 17 Texas counties, and will have a capacity of 700,000 b/d.

<http://www.bizjournals.com/dallas/news/2013/06/25/oil-will-be-flowing-through-new-texas.html>

## ***Natural Gas***

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### **Con Edison Extending Natural Gas Service in Manhattan and Bronx**

Con Edison announced that under its ongoing natural gas infrastructure expansion program, the company is planning to invest approximately \$100 million on new mains, regulators, and other upgrades in several neighborhoods in Manhattan and the Bronx, to make it easier for customers to convert from heating oil to natural gas. Con Edison is targeting these neighborhoods based on existing natural gas infrastructure, building density, and customer requests. Natural gas is 40 percent less expensive than oil and burns much cleaner. A New York City environmental regulation phases out the use of No. 6 fuel oil by 2015 and No. 4 fuel oil by 2030. The regulation requires building owners to switch to another heating source, such as natural gas. Although the regulation does not require the phasing out of No. 2 fuel oil, hundreds of No. 2 oil-heated buildings have switched as well to natural gas due to the economic benefits. The company plans to further expand its infrastructure over the next 7 years throughout its New York City gas service territory in Manhattan, Bronx, and parts of Queens.

[http://www.coned.com/newsroom/news/pr20130624\\_3.asp](http://www.coned.com/newsroom/news/pr20130624_3.asp)

### **Development Continues on 400,000 b/d Bluegrass NGL Pipeline Project from Marcellus and Utica Shale Gas Areas to the Gulf Coast**

Williams and Boardwalk Pipeline Partners, LP will continue a joint venture to develop the Bluegrass Pipeline. The project would transport mixed natural gas liquids (NGLs) from Marcellus and Utica shale-gas areas to petrochemical facilities and product pipelines in the Gulf Coast by late 2015. Producers will be provided with 200,000 b/d of mixed NGL during phase one and will increase to 400,000 b/d in phase two.

<http://www.b2i.us/profiles/investor/NewsPrint.asp?b=630&ID=63477&m=rl&pop=1&cat=1799&G=343>

<http://finance.yahoo.com/news/williams-board-approves-bluegrass-pipeline-200251772.html>

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

## ***Other News***

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### **Cyber Threats to Oil and Gas Suppliers Poses Challenge for National Security, Report Says**

In an energy brief issued June 26, two energy experts claim that cyber threats to oil and gas suppliers can harm the competitiveness of energy companies and lead to expensive future energy breaches. Claiming that the threats have grown more sophisticated over time, the two argue that this makes them more difficult to detect and defend against. This could lead to a higher cost of future breaches, whether to corporate assets, public infrastructure and safety, or the economy through energy prices.

<http://www.foxbusiness.com/technology/2013/06/26/us-oil-and-gas-at-greater-risk-for-cyber-attacks/>

<http://www.cfr.org/energy/addressing-cyber-threats-oil-gas-suppliers/p30977>

## Update: Wyoming to Lead Further Investigation of Water Quality Related to EPA's 2011 Report That Wyoming Aquifer May Contain Fracking Fluid

The U.S. Environmental Protection Agency (EPA) on June 20 announced that the State of Wyoming will further investigate drinking water quality in the rural area east of Pavillion, Wyoming. The U.S. Geological Survey (USGS), in cooperation with the Wyoming Department of Environmental Quality (WDEQ), in September 2012 released two reports on its study of groundwater drawn from two deep monitoring wells near Pavillion. WDEQ requested the study after the EPA in December 2011 issued a draft report indicating it had found compounds associated with hydraulic fracturing in levels "well above" standards safe for drinking water in an aquifer near Pavillion. Hydraulic fracturing is used to produce natural gas at nearby production wells. The WDEQ and the Wyoming Oil and Gas Conservation Commission (WOGCC) will now lead the scientific investigation and will seek to address water quality concerns by evaluating the water quality of certain domestic water wells, the integrity of certain oil and gas wells, and historic pits in the Pavillion area. The State of Wyoming intends to conclude its investigation and release a final report by September 30, 2014.

<http://yosemite.epa.gov/opa/admpress.nsf/20ed1dfa1751192c8525735900400c30/dc7dcd471dcfe1785257b90007377bf!OpenDocument>

## More Than 200 Feet of Copper Wire Stolen From Utility Stations in Pennsylvania June 24

On Monday, the Hanover Township police in Pennsylvania reported that between 200 to 300 feet of copper grounding wire was cut and stolen from a UGI substation and a PPL transformer station.

<http://citizensvoice.com/news/hanover-township-police-probe-copper-wiring-thefts-1.1510279>

## International News

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Nothing to report.

## Energy Prices

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U.S. Oil and Gas Prices			
June 26, 2013			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b>			
<b>West Texas Intermediate U.S.</b>	95.18	97.88	78.57
\$/Barrel			
<b>NATURAL GAS</b>			
<b>Henry Hub</b>	3.77	3.76	2.70
\$/Million Btu			

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 & 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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