



# ENERGY ASSURANCE DAILY

Thursday Evening, July 05, 2012

## Major Developments

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### **OE/ISER Situation Report: Ohio Valley & Mid-Atlantic Summer Storm**

On the evening of June 29, 2012 a severe thunderstorm system crossed the Eastern United States with heavy rain, hail, and winds reaching 80 miles per hour. For details on the impact of this storm on customer outages, energy infrastructure issues, and restoration efforts see: Ohio Valley & Mid-Atlantic Summer Storm Situation Reports issued by the U.S. Department of Energy, Office of Electricity Delivery & Energy Reliability (OE/ISER), at the following URL:

[http://www.oe.netl.doe.gov/named\\_event.aspx?ID=65](http://www.oe.netl.doe.gov/named_event.aspx?ID=65)

### **Severe Thunderstorms, High Winds Cut Power to More Than 380,000 DTE Energy and Consumers Energy Customers in Southeastern Michigan July 3–5**

Severe thunderstorms and high winds across Southeastern Michigan occurring since Tuesday have disrupted power service to hundreds of thousands of utility customers. DTE Energy Co. reported this morning that its service territory had been hit by four severe storms in 48 hours. High winds Tuesday and Wednesday resulted in approximately 320,000 DTE Energy customers losing power. As of 11:30 AM local time Thursday morning, 210,000 customers remained without of service. A DTE spokesman said the utility would have difficulty soliciting outside help to assist in restoring power because crews from Illinois to Virginia have been busy restoring power after last weekend's storms. Consumers Energy reported that as of 5:30 AM local time today, 63,300 of its customers were without power in Michigan.

<http://www.dteenergy.com/residentialCustomers/problemsSafety/outageCenter/>

<http://www.detroitnews.com/article/20120705/METRO/207050389/1409/metro/190K-without-power-Metro-Detroit-after-strong-storms>

<http://www.wzzm13.com/news/article/217406/2/Overnight-storms-leave-many-without-power>

## Electricity

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### **Update: EPA Grants a 90-Day Stay on Pollution Controls at PNM's 1,800 MW Coal-Fired San Juan Generating Station in New Mexico**

PNM Resources' New Mexico utility, PNM, on Tuesday was notified that the U.S. Environmental Protection Agency (EPA) granted a 90-day stay in the effectiveness of the federal plan for San Juan Generating Station to meet visibility requirements of the Clean Air Act in New Mexico. Two different plans were developed for New Mexico to meet regional haze requirements under the Clean Air Act: one by the state and the other by EPA. Provisions of EPA's plan are estimated to cost significantly more than the state's plan. In September and October 2011, the New Mexico Environment Department (NMED), New Mexico Governor Susana Martinez, and PNM petitioned EPA to issue a stay of the implementation of the federal plan. NMED, Governor Martinez, and PNM have also taken the case to federal court to appeal EPA's mandate. The court has not yet ruled on the matter.

<http://www.pnmresources.com/press/releasedetail.cfm?ReleaseID=688772>

### **Duke Energy, Progress Energy Complete Merger July 2 to Form Country's Largest Electric Utility**

Duke Energy Corporation on Tuesday confirmed the closing of its previously announced merger with Progress Energy Inc., effective July 2, 2012. The new company will be known as Duke Energy. Progress Energy has become a wholly owned direct subsidiary of Duke Energy, creating the country's largest electric utility, with approximately 7.1 million electric customers in the Carolinas, Florida, Indiana, Kentucky, and Ohio.

<http://www.duke-energy.com/pdfs/de-factsheet.pdf>

<http://www.duke-energy.com/news/releases/2012070301.asp>

## **AEP Restarts Its 558 MW Welsh Coal-Fired Unit 1 in Texas July 5 after Repairing a Boiler Tube Leak**

AEP's Southwestern Electric Power Co. reported it shut Unit 1 Wednesday afternoon to repair a boiler tube leak, according to a filing with the Texas Commission on Environmental Quality (TCEQ). In a subsequent TCEQ filing operators reported the unit would be in startup following the completion of outage activity. Operators said emissions related to startup activities were possible from July 5–12.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=170647>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=170649>

## **Excessive Vibrations Briefly Shut TMPA's 453 MW Gibbons Creek Coal-Fired Unit 1 in Texas July 3**

The Texas Municipal Power Authority (TMPA) reported that on Tuesday afternoon, the Gibbons Creek unit tripped on the loss of both primary air (PA) fans. The PA fans went down because of excessive vibrations caused by a jam in the "B" pulverizer. Immediately after the boiler trip, the electrostatic precipitator (ESP) was taken out of service until a purge of flammable gasses could be completed to protect the equipment and for personnel safety. Operators returned the boiler and the ESP to service later that night.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=170652>

## **APS's 1,247 MW Palo Verde Nuclear Unit 3 in Arizona Reduced to 11 Percent by July 5**

On the morning of July 4 the unit was operating at full power.

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

## **Update: PPL's 1,105 MW Susquehanna Nuclear Unit 1 in Pennsylvania Ramped Up to 86 Percent by July 5**

PPL Susquehanna restarted Unit 1 July 2 after completing repairs to seal a small water leak inside the containment structure surrounding the reactor. The unit had been shut since June 19, when operators detected the leak and began to investigate its source.

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

## **Update: FPL's 512 MW Point Beach Nuclear Unit 2 in Wisconsin Restarts July 3, Ramps Up to Full Power by July 5**

Point Beach Nuclear Unit 2 is returning from an outage that began June 27, when operators manually tripped the unit from full power due to indications of 100-percent load rejection. Operators were investigating the cause of the load rejection at the time of the incident.

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

## **Exelon's 850 MW Dresden Nuclear Unit 3 in Illinois Reduced to 84 Percent by July 5**

On the morning of July 4 the unit was operating at full power.

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

## **Calpine's 135 MW Calpine American I Natural Gas-Fired Unit in California Shut by July 4**

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201207041515.html>

## ***Petroleum***

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### **Valero Reports No Material Impact to Production after SRU Malfunction at Its 171,000 b/d McKee, Texas Refinery July 2**

Valero Energy Corp. said there was no material impact to production after a sulfur recovery unit (SRU) tripped offline at its McKee refinery Monday, according to a filing with the U.S. National Response Center. Operators were repairing a sulfur recovery system after a malfunction, the filing said.

Reuters, 09:37 July 5, 2012

## **Amine Treater Snag Leads to Flaring at ExxonMobil's 572,500 b/d Baytown, Texas Refinery July 5**

ExxonMobil Corp. reported a snag in the No. 2 amine treater led to flaring at its Baytown refinery, according to a filing with the U.S. National Response Center. The flaring was ongoing at the time of the filing.  
Reuters, 02:09 July 5, 2012

## **Unspecified Unit Malfunction Leads to Flaring, Hydrogen Sulfide Release at CVR's 70,000 b/d Wynnewood, Oklahoma Refinery July 3**

CVR Energy said it was repairing an unspecified unit at its Wynnewood refinery after a malfunction on Tuesday, according to a filing with the U.S. National Response Center. The malfunction triggered flaring and a release of hydrogen sulfide, the filing said.  
Reuters, 18:12 July 4, 2012

## **BP Restores Compressor at Its 265,000 b/d Carson, California Refinery after Malfunction July 3**

BP Plc restored a compressor to operation after it failed on Tuesday, according to a filing with the California Emergency Management Agency. The malfunction caused a release of sulfur dioxide, the filing said.  
Reuters, 17:51 July 4, 2012

## **Natural Gas**

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### **Air Blower Malfunction Shuts SRU, Leads to Flaring at Southern Union's 140 MMcf/d Keystone Gas Plant in Texas July 2-3**

Southern Union Gas Services reported it was flaring acid gas from its Keystone plant Monday after a sulfur recovery unit (SRU) went down when the process air blower went down, according to a filing with the Texas Commission on Environmental Quality (TCEQ). The next day, operators reported Engine No. 23 Cat went down because a dresser sleeve on the jacket water header broke, causing the engine to shut down for low coolant level, according to another TCEQ filing. Operators made repairs and put the unit back online later that afternoon.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=170646>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=170616>

### **ExxonMobil Shuts Unit Due to Transformer Leak, Routes Inlet Gas to Flare at Its 135 MMcf/d Salt Creek Gas Plant in Texas July 3**

ExxonMobil reported workers at its Salt Creek plant discovered a leak on the insulating bushing of the transformer to Unit K3401 Tuesday morning, according to a filing with the Texas Commission on Environmental Quality. Operators shut the unit and routed its inlet to flare. Repairs were still underway at the time of the filing.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=170639>

## **Other News**

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### **U.S. Critical Infrastructure Companies See Number of Reported Cyber-Security Incidents Jump Dramatically from 2009 to 2011 – DHS Cyber Emergency Response Team**

The U.S. Department of Homeland Security's (DHS) Industrial Control Systems Cyber Emergency Response Team (ICS-CERT) on June 28 released a report summarizing cyber incidents, onsite deployments, and associated findings from the time ICS-CERT was established in 2009 through the end of 2011. U.S. critical infrastructure companies saw the number of reported cyber-security incidents between 2009 and 2011 increase from 9 to 198, according to the report.

<http://www.darkreading.com/advanced-threats/167901091/security/attacks-breaches/240003029/>

[http://www.us-cert.gov/control\\_systems/pdf/ICS-CERT\\_Incident\\_Response\\_Summary\\_Report\\_09\\_11.pdf](http://www.us-cert.gov/control_systems/pdf/ICS-CERT_Incident_Response_Summary_Report_09_11.pdf)

## International News

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### Update: Statoil Prepares to Halt Norwegian Offshore Production after Notice of Lockout Due to Ongoing Strike; Shortfall in Production Could Reach 1.2 MMboe/d

Statoil on Thursday said it was preparing to shut down production on the Norwegian continental shelf (NCS) following a notice from the Norwegian Oil Industry Association (OLF) today that it will impose a lockout on all members of Industry Energy (Industri Energi), the Organisation of Energy Personnel (SAFE), and the Norwegian Organisation of Managers and Executives (Lederne) who are covered by the offshore pay agreements. Workers from Industri Energi, SAFE, and Lederne have been on strike since June 24, and Statoil has already shut-in approximately 240,000 b/d of oil output and 11.9 million cubic meters of natural gas output from its offshore Heidrun and Oseberg fields in the North Sea due to the strike. The lockout will take effect at midnight on Monday, July 9 and will halt all production on the NCS. For Statoil, the shortfall in production will be around 1.2 million barrels of oil equivalent per day (MMboe/d), the company said in a press release. Statoil is planning to begin a controlled shutdown of production and return of personnel to land starting Monday. It will take 1–4 days to shut down all production on the NCS, depending on the characteristics and complexity of each field.

<http://www.statoil.com/en/NewsAndMedia/News/2012/Pages/5July2012LD.aspx>

<http://www.olf.no/en/News/OLF-notifies-offshore-lockout/>

### FARC Guerrillas Blow Up 220,000 b/d Cano Limon-Covenas Oil Pipeline in Colombia July 3; Kill Five Ecopetrol Oil Contractors July 4

Members of the Revolutionary Armed Forces of Colombia, known as the FARC, on Wednesday killed five oil contractors working for the state-run petroleum company Ecopetrol in the Putumayo province, a remote southern region that borders Ecuador. The incident came just a day after FARC guerrillas blew up a section of the 220,000 b/d Cano Limon-Covenas oil pipeline in the northeastern province Norte de Santander.

<http://www.chicagotribune.com/news/sns-rt-us-colombia-oilbre8630p3-20120704,0,2432766.story>

## Energy Prices

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U.S. Oil and Gas Prices			
July 5, 2012			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	87.63	78.57	96.90
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	2.78	2.70	4.33

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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