



ENERGY ASSURANCE DAILY

Tuesday Evening, July 24, 2012

Major Development

Strong Thunderstorms Cut Power to More Than 312,000 Commonwealth Edison and Alliant Energy Customers in Illinois and Wisconsin July 24

Strong thunderstorms cut power to hundreds of thousands of utility customers in northeastern Illinois and southern Wisconsin early Tuesday morning. Commonwealth Edison reported that more than 300,000 of its customers were estimated to have been affected by the storm, of which 156,000 remained out of service as of 11:30 AM local time. The utility estimated restoration efforts would last until the evening of July 27, with 90 percent of customers restored by the evening of July 26. In southern Wisconsin, Alliant Energy reported more than 12,000 customers were without service at one point after strong winds and heavy rain downed trees and damaged power lines. As of 3:15 PM EDT, Alliant reported 1,711 customers remained without power.

<http://www.suntimes.com/news/metro/13964435-418/story.html>

<http://www.fox11online.com/dpp/news/wisconsin/Thousands-in-Wisconsin-without-power>

<https://www.comed.com/customer-service/outage-information/Pages/storm-center.aspx>

<https://www.alliantenergy.com/CustomerService/StormandOutageCenter/OutageSummary/index.htm>

Electricity

Storms Cut Power to More Than 42,000 Duke Energy Customers in Ohio and Kentucky July 24

Duke Energy reported more than 42,000 of its customers across greater Cincinnati and Northern Kentucky lost power this afternoon after strong, swift storms moved through the area today. The utility was still assessing the damage and could not provide an estimate on when it would restore power to all affected customers, according to a spokeswoman. As of 4:00 PM EDT, the utility reported 27,367 customers remained without power.

<http://nky.cincinnati.com/article/AB/20120724/NEWS/307240007/Severe-thunderstorm-watch-effect-until-3-p-m->

<http://www.duke-energy.com/ohio/outages/current.asp>

Update: Exelon's 1,134 MW Limerick Nuclear Unit 1 in Pennsylvania Restarts July 23, Ramps Up to 20 Percent by July 24

Limerick Unit 1 is returning from an outage that began July 18, when operators shut the unit after an electrical fault in a transformer caused a loss of power to generator cooling equipment.

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

Update: Progress Energy's 872 MW Brunswick Nuclear Unit 1 in North Carolina Ramped Up to 99 Percent by July 24

Operators reduced Brunswick Unit 1 to 63 percent from full power by July 23. Information on why operators made the reduction was not available.

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

Update: Energy Northwest's 1,107 MW Columbia Generating Station Nuclear Unit in Washington at Full Power by July 24

On the morning of July 23 the unit was operating at 85 percent.

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

Cabrillo Power's 330 MW Encina Gas-Fired Unit 5 in California Reduced by July 23

The unit entered an unplanned curtailment of 195 MW.

<http://content.aiso.com/unitstatus/data/unitstatus201207231515.html>

Update: GenOn's 215 MW Mandalay Gas-Fired Unit 2 in California Returns to Service by July 23

The unit returned from an unplanned outage that began by July 22.

<http://content.aiso.com/unitstatus/data/unitstatus201207231515.html>

SCE's 200 MW Eastwood Hydro Unit in California Shut by July 23

The unit entered an unplanned outage.

<http://content.aiso.com/unitstatus/data/unitstatus201207231515.html>

Update: TransAlta Expects to Restore Operation to Its Sundance Coal-Fired Units 1 and 2 in Alberta in Fall 2013

TransAlta Corporation on Monday said it would immediately start work to restore service to its Sundance coal-fired Units 1 and 2, whose combined generating capacity was 560 MW before the company decided to shut them in December 2010. The announcement came after an independent arbitration panel considering TransAlta's 2010 decision to shut the units allowed the company's claim of force majeure. TransAlta took Sundance Units 1 and 2 out of service at its power station near Edmonton after testing indicated boiler tube conditions were no longer at design limits. TransAlta expects to restore service in the fall of 2013.

<http://www.transalta.com/newsroom/news-releases/2012-07-23/independent-arbitration-panel-validates-transalta%E2%80%99s-operating-prac>

Dairyland Power Reaches Court Settlement Requiring Emissions Controls on Several Coal-Fired Power Plants in Wisconsin

Dairyland Power Cooperative on June 29 announced it had reached a joint settlement agreement with the U.S. Environmental Protection Agency (EPA) and the Sierra Club concluding litigation regarding alleged violations of the New Source Review provisions of the Clean Air Act. Under terms of the settlement agreement, filed in the U.S. District Court for the Western District of Wisconsin, Dairyland agreed to install equipment to reduce sulfur dioxide, nitrogen oxides, and particulate matter emissions from several of its coal-fired power plants in Wisconsin. These include its 345 MW Genoa Unit 3, its 387 MW John P. Madgett Station, and its 54 MW Alma Unit 4 and 81 MW Alma Unit 5. Also as part of the agreement, Dairyland shut its Alma Units 1–3, whose combined capacity was 45 MW, as of December 31, 2011.

<http://www.dairyland.com/dcontent/article/DairylandSettlement2012.pdf>

Petroleum

Update: Enbridge Restarts 491,000 b/d Oil Pipeline No. 5 July 24 after Hydrostatic Testing

Enbridge Inc. restarted its Line 5 oil pipeline early on Tuesday after several days of hydrostatic testing, a spokeswoman said. Enbridge shut the pipeline, which extends to Sarnia, Ontario from Superior, Wisconsin, last week for the planned testing. Enbridge had reported a valve fitting on the pipeline failed near Bay City, Michigan during a hydrostatic test late on Sunday. Operators had repaired the valve by Monday.

Reuters, 11:15 July 24, 2012

PBF Energy to Expand Rail Capacity at Its 190,000 b/d Delaware City, Delaware Refinery to Increase Access to Canadian and Bakken Crude

PBF Energy is planning to build additional rail infrastructure at its Delaware City refinery to allow the refinery access to both less expensive Canadian crudes as well as crude from the Bakken shale oil formation in North Dakota, a source familiar with the situation said on Monday.

Reuters, 13:29 July 23, 2012

BP Reports Brief Fire at Its 413,000 b/d Whiting, Indiana Refinery July 23

BP Plc reported a brief fire occurred in "one area" of its Whiting refinery Monday night, according to a spokesman. Traders had said earlier that crude run rates were cut at the refinery after a coker outage, but BP declined to comment on the outage reported by traders.

Reuters, 11:10 July 24, 2012

SRU Incinerator Snag Leads to Emissions at Valero's 310,000 b/d Port Arthur, Texas Refinery July 23

Valero Energy Corp. reported the F101 incinerator sulfur recovery unit (SRU) went offline at its Port Arthur refinery Monday night, causing a release of materials to the atmosphere, according to a filing with the U.S. National Response Center. Operators were working to restart the incinerator at the time of the filing, and the release of hydrogen sulfide and sulfur dioxide were not yet secured.

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1018746

Flint Hills Reports Cumene Unit Snag after Pump Casing Leaks Benzene at Its 288,468 b/d Corpus Christi, Texas Refinery July 23

Flint Hills Resources reported a cumene unit upset following a leak of benzene from a contact condenser bottoms pump case gasket at its Corpus Christi refinery on Monday, according to filings with state and national authorities. Operators took the pump out of service around 7:30 AM local time Monday morning, and restored service around 8:00 PM after repairing the pump, a filing with the Texas Commission on Environmental Quality said.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=171399>

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1018668

BP Restarts Ultraformer at Its 455,790 b/d Texas City, Texas Refinery July 23

BP Plc reported it was restarting ultraformer No. 3 at its Texas City refinery Monday evening, according to a filing with the Texas Commission on Environmental Quality. Emissions during startup procedures were possible through July 26, the filing said.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=171396>

Update: U.S. Chemical Safety Board Says BP, Others Focused on Wrong Safety Data, Failed to Recognize Big Systemic Hazards That Led to 2010 Gulf of Mexico Spill

In preliminary findings released today at a public hearing in Houston, U.S. Chemical Safety Board (CSB) investigators examining the Deepwater Horizon explosion in the Gulf of Mexico reported that companies like Transocean and BP, trade associations, and U.S. regulators largely judged the safety of offshore facilities by focusing on personal injury and fatality data (such as dropped objects and slips, trips, and falls). This overshadowed the use of leading indicators more focused on managing the potential for catastrophic accidents. The CSB said that expanded use of offshore process-safety indicators—such as timely checks on safety critical equipment and response to well control events—would have provided an assessment of the health of the companies' safety management systems. These types of indicators may have signaled the risk of malfunctions that ultimately led to the disaster on the Deepwater Horizon drilling rig following the Macondo well blowout on April 20, 2010, the CSB said.

<http://finance.yahoo.com/news/board-bp-missed-big-hazard-041359346.html>

<http://www.csb.gov/newsroom/detail.aspx?nid=429>

Alberta to Review the Safety of Its Oil Pipeline Network after Spills Prompt Calls for Action; Review Could Lead to Increased Oversight

Alberta's energy minister, Ken Hughes, on Friday said that he has directed the Canadian Energy Resources Conservation Board to retain an independent third party to review the safety of its pipeline network after a number of oil spills prompted calls for action. Pipelines in Alberta owned by Enbridge Inc. and Plains All American recently ruptured and spilled crude in separate incidents, and the U.S. National Transportation Safety Board last week sharply criticized Enbridge for breakdowns in safety measures that led to a 2010 pipeline rupture and oil spill in Michigan. Hughes said he expects results from the review in the coming months, and that it could lead to more stringent regulatory oversight and improved enforcement. The issue of pipeline safety comes as Canada's energy sector seeks approval for new pipelines to ship oil sands-derived crude to new markets on the U.S. Gulf Coast and to Asia via the Pacific Coast.

<http://www.reuters.com/article/2012/07/20/alberta-pipelines-idUSL2E8IK9BF20120720?feedType=RSS&feedName=rbssEnergyNews&rpc=43>

Update: Enbridge Proposes Design Enhancements to Its Proposed 525,000 b/d Northern Gateway Pipeline Project in Canada to Address Safety Concerns

Enbridge Inc. on Friday said it would propose further enhancements in pipeline design and operations in the regulatory application for its Northern Gateway pipeline system, to address safety concerns raised by Aboriginal groups and others. The extra measures include increasing pipeline wall thickness for water crossings, increasing the number of remotely operated isolation valves, increasing the frequency of in-line inspection surveys, and installing dual leak detection systems, among others. The Northern Gateway Project is a proposed 1,176-km twin pipeline system and marine terminal. The proposed project, currently under regulatory review, would transport 525,000 b/d of oil from tar sands in northern Alberta to an export terminal near Kitimat, British Columbia and import 193,000 b/d of condensate.

<http://www.calgaryherald.com/business/energy-resources/Enbridge+proposes+million+design+changes/6965558/story.html>
<http://www.enbridge.com/MediaCentre/News.aspx?yearTab=en2012&id=1643279>

Natural Gas

Natural Gas Well Blowout in Mississippi July 19 Causes Hydrogen Sulfide Leak

The Mississippi Emergency Management Agency (MEMA) on Friday said it was monitoring a natural gas well blowout in Clara, Mississippi that was causing hydrogen sulfide to leak July 19–20. The MEMA State Emergency Operations Center received a report of the incident shortly after 8:00 PM local time Thursday night. A 1-mile radius around the site was evacuated Thursday night. The odor and irritants that drifted into the area following the explosion had dissipated by late Friday morning, according to local reports.

<http://www.local15tv.com/news/local/story/Gas-Well-Explosion-Leaks-Hydrogen-Sulfide-Updated/Kfgmd9izwkWmKNWUs895sg.csp>
<http://www.msema.org/documents/WayneCountyWell7-20-12.pdf>

Update: FERC Vacates Authorization for Proposed Tank at Cameron LNG Import Terminal in Louisiana

The U.S. Federal Energy Regulatory Commission (FERC) on July 6 issued notice that it has vacated a 2007 authorization that would have allowed Cameron LNG LLC, a subsidiary of Semptra Energy, to build a fourth storage tank and other facilities at its liquefied natural gas (LNG) import terminal near Hackberry, Louisiana because the company has not started construction. Cameron LNG is now developing a new liquefaction facility at the terminal that will be comprised of three liquefaction trains with a total export capability of approximately 1.7 Bcf/d. Pending approvals, construction on the project is expected to start in late 2013, with operations to commence in late 2016.

http://www.downstreamtoday.com/news/article.aspx?a_id=36791
<http://www.ferc.gov/EventCalendar/Files/20120706144807-CP06-422-000.pdf>

Update: FERC Urged to Require Full EIS for Cheniere's Proposed 1.8 Bcf/d LNG Export Terminal in Corpus Christi, Texas

The Sierra Club has asked the U.S. Federal Energy Regulatory Commission (FERC) to prepare a full environmental impact statement (EIS) for Cheniere Energy Inc.'s proposed Corpus Christi, Texas liquefied natural gas (LNG) export terminal and pipeline project, including a review of the project's potential to increase natural gas production in the United States. In a meeting with FERC in June, the U.S. Environmental Protection Agency also pushed for a full EIS, rather than a less-comprehensive environmental assessment, and a full evaluation of the cumulative impacts of LNG exports and domestic gas production. Cheniere in March 2012 applied with FERC to build a 1.8 Bcf/d LNG export terminal at Corpus Christi, on the site originally planned for a proposed import terminal. The proposal is currently moving through the FERC pre-filing process, and the company expects to file a formal application for the project this summer.

http://www.downstreamtoday.com/news/article.aspx?a_id=36761
http://elibrary.ferc.gov/idmws/File_List.asp?document_id=13979617

Other News

Nothing to report

International News

UAE Launches 1.5 Million b/d Oil Export Terminal in Fujairah on the Gulf of Oman; Connects to New ADCOP Pipeline Bypassing Strait of Hormuz

The United Arab Emirates (UAE) on Sunday launched a new offshore oil export terminal in Fujairah on the Gulf of Oman that is expected to process up to 1.5 MMb/d, or nearly 75 percent of the country's exports. The terminal has eight crude oil storage tanks that each has a capacity of one million barrels. Oil is transported through the 1.4 MMb/d Abu Dhabi Crude Oil Pipeline (ADCOP), also known as the Habshan–Fujairah oil pipeline, which was recently commissioned to bypass the Strait of Hormuz.

<http://me-confidential.com/5146-uae-launches-new-oil-export-terminal.html>

Natural Gas Pipeline in Sinai Peninsula, Egypt Bombed July 22

Local officials reported a primary natural gas pipeline in Egypt was bombed on Sunday for the 15th time since 2011, disrupting deliveries of natural gas supplies to customers in and near the Sinai Peninsula. Utility companies in Jordan, which gets some of its natural gas from Egypt, warned that power cuts were possible this summer in part because of problems with natural gas supplies. No group has claimed responsibility for the attack.

http://www.downstreamtoday.com/news/article.aspx?a_id=36793

Energy Prices

U.S. Oil and Gas Prices			
July 24, 2012			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	88.40	88.67	99.19
NATURAL GAS Henry Hub \$/Million Btu	3.05	2.92	4.58

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 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

Energy Assurance Daily provides a summary of public information concerning current energy issues. Published Monday through Friday to inform stakeholders of developments affecting energy systems, flows, and markets, it provides highlights of energy issues rather than a comprehensive coverage. *Energy Assurance Daily* is updated online Monday through Friday after 5:00 PM Eastern Time. For more information, visit the Infrastructure Security and Energy Restoration (ISER) website at:

<http://www.oe.netl.doe.gov/ead.aspx>

Please direct comments and questions to: ead@oe.netl.doe.gov