



ENERGY ASSURANCE DAILY

Monday Evening, July 30, 2012

Major Developments

Enbridge Indefinitely Shuts 317,600 b/d Line 14 Crude Oil Pipeline in Wisconsin after Discovering a Leak July 27

Enbridge Energy Partners, LP on Monday was expected to begin replacing part of its Line 14 crude oil pipeline, which was shut and isolated Friday afternoon after operators detected a release near Grand Marsh, Wisconsin. An estimated 1,200 barrels of crude oil had spilled, Enbridge said. Line 14 is a 24-inch, 317,600 b/d pipeline that predominantly transports light crude oil to Chicago-area refineries. It is part of Enbridge's Lakehead System, a 2.5 million b/d network that is the main conduit for Canadian crude oil exports. As a precaution, Enbridge shut three other pipelines running through the same rights-of-way as Line 14 on Friday, including the 670,000 b/d Line 6A and 400,000 b/d Line 61, which ship crude oil from Superior, Wisconsin to Illinois and Indiana, and the 180,000 b/d Line 13, which carries diluent from Chicago to Edmonton, Alberta. All three pipelines had resumed operation by late Saturday, Enbridge said. The cause of the release is still under investigation, and Enbridge has not said when it expects the line to resume service. Enbridge on Monday planned to remove the failed section of the pipeline and send it to a metallurgical lab for examination, according to a spokesman for the U.S. Pipeline and Hazardous Materials Safety Administration. Analysts said the impact of the disruption on Chicago refineries will depend largely on the amount of crude oil they have stored and the length of the outage. Total Midwest crude inventories have reached a record high, over 110 million barrels, over the past two months, according to data from the U.S. Energy Information Administration.

<http://www.enbridge.com/MediaCentre/News.aspx?yearTab=en2012&id=1646238>

<http://www.nytimes.com/2012/07/30/business/after-wisconsin-oil-spill-enbridge-plans-pipeline-repairs.html?partner=yahooofinance>

<http://www.bloomberg.com/news/2012-07-29/failed-wisconsin-oil-pipe-section-heads-to-lab-u-s-says.html?cmpid=yahoo>

http://www.huffingtonpost.com/2012/07/28/wisconsin-oil-spill-enbridge-energy_n_1713668.html

http://www.enbridge.com/DeliveringEnergy/OurPipelines/~media/www/Site%20Documents/Delivering%20Energy/2012_Q1%20System%20Config.ashx

http://www.enbridge.com/~media/www/Site%20Images/Projects/Maps/2012_EasternAccessMap.ashx

Electricity

Severe Thunderstorms Cut Power to 30,000 Jersey Central Power & Light Customers in New Jersey July 28

<http://www.courierpostonline.com/article/20120729/NEWS02/207290308/1007/news02>

Progress Energy to Retire 316 MW Cape Fear Power Plant in North Carolina and 177 MW Robinson Coal-Fired Unit 1 in South Carolina on October 1, 2012

Progress Energy Carolinas, a subsidiary of Duke Energy, on Friday announced it will accelerate the retirement of the 316 MW Cape Fear coal-fired power plant in North Carolina, which was previously slated for closure in 2013, by closing it October 1, 2012. The company announced also it will retire the 177 MW H.B. Robinson coal-fired Unit 1 in South Carolina on October 1, as well. The Cape Fear plant has been scheduled to retire as part of the company's fleet-modernization plan, first announced in 2009. Three oil-fired combustion turbines will continue to operate at the site after the coal-fired plant's retirement. The Robinson coal-fired unit has been scheduled to retire due to pending changes in environmental regulations, rising costs, and other factors.

<http://www.duke-energy.com/news/releases/2012072701.asp>

NRC Issues Bulletin on Potential Design Vulnerability in Electric Power Systems at U.S. Nuclear Power Plants

The U.S. Nuclear Regulatory Commission (NRC) has issued a bulletin to all nuclear power plant licensees requesting information about their electric power system designs and alerting them to a potential design vulnerability that could affect the operation of key safety equipment. On January 30, Exelon's 1,130 MW Byron nuclear Unit 2 in Illinois shut down automatically due to unbalanced voltage entering the onsite power distribution system from the transmission network. The plant's electric power system's protection scheme was not designed to sense the loss of one of three power phases and automatically trip circuits to isolate the degraded outside power source and switch to emergency backup power. The degraded offsite power source potentially could have damaged the plant's emergency core cooling system. This and other recent incidents involving the loss of one of three phases of the offsite power circuit have prompted the NRC to seek information verifying the reliability of offsite and onsite power systems.

<http://www.nrc.gov/reading-rm/doc-collections/news/2012/12-086.pdf>

Update: NRC Reports Findings after Special Investigation of April 4 Loss of Offsite Power at Duke Energy's Catawba Nuclear Power Plant in South Carolina

The U.S. Nuclear Regulatory Commission (NRC) has reported conclusions from its investigation of an April 4 incident at Duke Energy's Catawba Nuclear Station in South Carolina, when a ground fault on a reactor coolant pump resulted in both units' losing offsite power. The NRC has determined that a programming error, which occurred when electrical changes were made on Unit 1 last July and November and on Unit 2 in February, meant offsite power would be inadvertently lost anytime the units' generator shut down because of a power fluctuation. Operators restarted Unit 1 by April 16; Unit 2 had been shut for a refueling outage at the time of the incident. The problem has been corrected, a Duke Energy spokeswoman said, and both reactors are currently at full power.

<http://www.rockymounttelegram.com/news/ncwire/nrc-warns-problems-catawba-nuclear-station-1153549>

Update: Exelon's 619 MW Oyster Creek Nuclear Unit in New Jersey Restarts July 28; Ramps Up to 91 Percent by July 29; Reduced to 67 Percent by July 30

Exelon Nuclear restarted Oyster Creek nuclear plant Saturday afternoon, nearly a week after it the plant lost offsite power. The company declared an unusual event at the facility on July 23 after the loss of offsite power caused the reactor to automatically scram from 100 percent power. Officials believe the loss of power resulted from a ground on a 230-kV line that provides power to the plant. Operators restored offsite power in less than two hours, but Exelon kept the unit shut to perform maintenance.

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

<http://finance.yahoo.com/news/exelons-oyster-creek-plant-back-133216138.html>

Update: Exelon's 1,134 MW Limerick Nuclear Unit 2 in Pennsylvania Shut by July 28

Exelon Nuclear said operators shut Limerick Unit 2 from 62 percent power on Friday to replace a valve on the plant's steam piping system. The company did not say when it expected the unit to return to service.

<http://www.reuters.com/article/2012/07/27/utilities-operations-exelon-limerick-idUSL2E8IR7Y620120727?type=companyNews&feedType=RSS&feedName=companyNews&rpc=43>

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

Update: Constellation's 835 MW Calvert Cliffs Nuclear Unit 2 in Maryland at Full Power by July 28

On the morning of July 27 the unit was operating at 77 percent.

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

Update: DTE's 1,089 MW Fermi Nuclear Unit 2 in Michigan Restarts July 28, Ramps Up to 62 Percent by July 30

DTE Energy restarted Fermi nuclear Unit 2 Saturday after keeping it shut for more than a month due to equipment problems. On June 25, while restoring the main turbine generator to service after repairs to the main unit transformer No. 2B, operators were forced to manually shut the unit in response to a trip of both reactor feed pumps (RFPs). DTE has not yet said what caused both RFPs to trip. Operators briefly restarted the unit July 23, but shut it again within a day after noticing a valve was malfunctioning.

<http://www.monroenews.com/news/2012/jul/30/fermi-plant-restarted/>

<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 89 Percent by July 30

On the morning of July 29 the unit was operating at full power.

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

Update: Southern's 830 MW Farley Nuclear Unit 1 in Alabama Restarts, Ramps Up to 13 Percent by July 30

Farley nuclear Unit 1 is returning from an outage that began July 27, when operators took the unit offline to conduct post-maintenance testing on a diesel generator.

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

Watson Cogeneration's 417 MW Watson Gas-Fired Unit in California Reduced by July 29

The unit entered an unplanned curtailment of 230 MW.

<http://content.caiso.com/unitstatus/data/unitstatus201207291515.html>

Dynergy's 335 MW El Segundo Gas-Fired Unit 4 in California Returns to Service by July 29

The unit returned from an unplanned curtailment of 168 MW that began by July 28.

<http://content.caiso.com/unitstatus/data/unitstatus201207291515.html>

Update: Calpine's 135 MW Gilroy Gas-Fired Unit in California Returns to Service by July 29

The unit returned from an unplanned outage that began by July 26.

<http://content.caiso.com/unitstatus/data/unitstatus201207291515.html>

Petroleum

Sunoco Shuts Alkylation Unit at Its 335,000 b/d Philadelphia, Pennsylvania Refinery July 22 Due to Leak; Shuts FCCU July 23 Due to High Vibrations

Sunoco Inc. shut alkylation unit No. 869 at the Point Breeze section of its Philadelphia refinery on July 22 due to a leak on m104 mixer, Philadelphia pollution regulators said on Friday. The filing said also that a low sulfur gasoline unit at the refinery remained shut after it failed to restart, and that operators shut fluid catalytic cracking unit (FCCU) No. 868 at the Point Breeze section the refinery on July 23 due to high vibrations.

Reuters, 16:24 July 27, 2012

Reuters, 16:25 July 27, 2012

PBF Energy Reports CO Boiler Failure at Its 190,000 b/d Delaware City, Delaware Refinery July 27

PBF Energy Inc. reported a carbon monoxide (CO) boiler failure occurred at its Delaware City refinery Friday night, according to a filing with state pollution regulators.

Reuters, 19:21 July 27, 2012

Update: Coker Damaged by Fire July 23 to Remain Shut 2–4 Weeks for Repairs at BP's 413,000 b/d Whiting, Indiana Refinery – Sources

A coker damaged by a fire at BP Plc's Whiting refinery July 23 will likely remain shut for repairs for the next 2–4 weeks, according to sources familiar with refinery operations. BP has said only that a brief fire occurred in "a part" of the plant last Monday, and it has declined to comment on the repair work. The company said it was still investigating the cause of the fire.

Reuters, 13:23 July 27, 2012

Unspecified Unit Upset Leads to Flaring at Citgo's 167,000 b/d Lemont, Illinois Refinery July 27

Citgo Petroleum Corp. reported it shut an unspecified unit after an upset at its Lemont refinery led to flaring late Friday, according to a filing with the Illinois Emergency Management Agency.

Reuters, 10:29 July 30, 2012

Compressor Shutdown Triggers Flaring at Phillips 66's 362,000 b/d Wood River, Illinois Refinery July 29

Phillips 66 reported a compressor shutdown triggered flaring at its Wood River refinery Sunday, according to a filing with state pollution regulators.
Reuters, 04:00 July 30, 2012

FCCU Snag Leads to Emissions at Motiva's 236,400 b/d Norco, Louisiana Refinery July 27

Motiva Enterprises reported relief valve briefly malfunctioned on a fluid catalytic cracking unit (FCCU) at its Norco refinery Friday morning, causing a release of butadiene, according to a filing with the U.S. National Response Center.

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1019127

ExxonMobil Reports Normal Operations after HCU Snag at Its 572,500 b/d Baytown, Texas Refinery July 30

ExxonMobil Corp. on Monday said its Baytown refinery was operating normally following a hydrocracker unit (HCU) snag, which operators reported after a power interruption at a substation.

Reuters, 11:25 July 30, 2012

NuStar Completes New 70,000 b/d Train Offloading Facility at Its St. James, Louisiana Terminal; Plans to Build Second Offloading Facility to Meet Customer Demand

NuStar Energy LP on Friday reported the new unit train offloading facility at its St. James, Louisiana terminal will accept one 70,000-barrel train per day, according to an executive during an earnings call. It plans to add a second rail car offloading unit train facility at the terminal due to customer demand. Growing shale oil production from the Bakken play in North Dakota, where there is limited pipeline capacity, depends on train service for delivery to terminals outside the region.

[http://www.reuters.com/article/2012/07/27/nustar-stjames-expansion-](http://www.reuters.com/article/2012/07/27/nustar-stjames-expansion-idUSL2E8IR3Y820120727?type=companyNews&feedType=RSS&feedName=companyNews&rpc=43)

[idUSL2E8IR3Y820120727?type=companyNews&feedType=RSS&feedName=companyNews&rpc=43](http://www.reuters.com/article/2012/07/27/pipeline-operations-nustar-train-idUSL2E8IR3JI20120727?feedType=RSS&feedName=rbssEnergyNews&rpc=43)

[http://www.reuters.com/article/2012/07/27/pipeline-operations-nustar-train-](http://www.reuters.com/article/2012/07/27/pipeline-operations-nustar-train-idUSL2E8IR3JI20120727?feedType=RSS&feedName=rbssEnergyNews&rpc=43)

[idUSL2E8IR3JI20120727?feedType=RSS&feedName=rbssEnergyNews&rpc=43](http://www.reuters.com/article/2012/07/27/pipeline-operations-nustar-train-idUSL2E8IR3JI20120727?feedType=RSS&feedName=rbssEnergyNews&rpc=43)

Railroads Move 38 Percent More U.S. Crude Oil and Petroleum Products over Last Year – EIA

The U.S. Energy Information Administration (EIA) has reported that railroads moved 38 percent more U.S. crude oil and petroleum products during the first half of 2012 compared with 2011, largely as a result of increased oil production from North Dakota's Bakken formation, where pipeline capacity is limited. In June railroads moved 51 percent more crude oil and petroleum products than a year earlier. The Association of American Railroads reported nearly 241,000 rail tanker cars were moving product during January–June 2012, as compared with 174,000 tanker cars during the same period in 2011.

<http://www.ogj.com/articles/2012/07/eia-railroads-move-more-crude-oil-in-first-half.html>

Natural Gas

Panel Board Malfunction Shuts Unit, Leads to Flaring at Southern Union's 140 MMcf/d Keystone Gas Plant in Texas July 29

Southern Union Gas Services reported it was flaring low-pressure gas on Sunday after Unit 23 went down on panel board problems, according to a filing with the Texas Commission on Environmental Quality. The event was ongoing at the time of the filing.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=171590>

Exterran Reports Unit Snags at Its 50 MMcf/d Reinecke Gas Plant in Texas July 28–29

Exterran reported Unit 70972 went down on false scrubber level three times Saturday morning, according to a filing with the Texas Commission on Environmental Quality (TCEQ). The company reported Unit 71050 went down on scrubber level after a blockage in the product stabilizer Sunday morning caused product to carry over to the top of the stabilizer, according to another TCEQ filing.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=171599>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=171597>

Other News

Eco-Energy, NuStar to Develop Ethanol Unit Train and Storage Facility in Northern Virginia to Serve Washington, DC Metropolitan Market

Eco-Energy Holdings, Inc. today announced that it is partnering with NuStar Terminals Operations Partnership L.P. to jointly develop an ethanol unit train and storage facility to serve the Northern Virginia and Washington, DC markets. Under the long-term agreement, Eco-Energy and NuStar will jointly develop an ethanol unloading, storage, and outbound truck loading solution at NuStar's Dumfries, Virginia facility. The ethanol unit train terminal will have approximately 155,000 barrels of ethanol storage capacity and will be capable of distributing over 400,000 barrels per month. The facility will be equipped to receive up to 96 rail car unit trains via CSX Transportation with 24/36 hour turnaround time. Operations at the Dumfries, Virginia site are expected to commence in the third quarter of 2013.

BSW, 09:13 July 30, 2012

International News

India Restores Power-Grid after Collapse Cuts Power to 360 Million People July 29

A power-grid failure cut power to 360 million people in India early Sunday, shutting transportation networks and halting water supplies. Power Grid Corp. of India said the failure may have been the result of too many states simultaneously purchasing power beyond their scheduled allowance, according to the utility's chairman. The utility had restored power to most affected customers by Monday, and it expected full restoration by the end of the day.

<http://www.bloomberg.com/news/2012-07-30/grid-collapse-in-india-leaves-360-million-people-without-power.html?cmpid=yhoo>

Energy Prices

U.S. Oil and Gas Prices			
July 30, 2012			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	89.70	88.63	95.58
NATURAL GAS Henry Hub \$/Million Btu	3.10	3.03	4.41

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