



ENERGY ASSURANCE DAILY

Friday Evening, August 24, 2012

Major Developments

BP Shutting Production at Thunder Horse Oil and Gas Platform in Gulf of Mexico as Tropical Storm Isaac Approaches

BP Plc said Friday that it was shutting production at its Thunder Horse oil and gas platform and evacuating all workers as Tropical Storm Isaac continued to increase intensity and approach the U.S. Gulf of Mexico. BP's Thunder Horse platform can produce up to 250,000 b/d of oil and 200 MMcf/d of natural gas. The company also said it was evacuating nonessential workers at its Na Kika, Horn Mountain, and Marlin platforms father west of the storm's path. Royal Dutch Shell also said Friday that it was evacuating nonessential workers from some of its platforms in the Gulf and has suspended drilling operations. It has not shut production and did not specify which platforms would be evacuated. The Nuclear Regulatory Commission said that it doesn't expect any nuclear power plants to shut in Region II, which includes Florida and Alabama.

<http://www.sfgate.com/business/bloomberg/article/Tropical-Storm-Isaac-Picks-Up-Strength-on-Path-3812759.php>

http://www.bp.com/liveassets/bp_internet/globalbp/STAGING/global_assets/downloads/A/abp_us_thunder_horse_act_sheet_081209.pdf

Reuters, 12:07 August 24, 2012

Reuters, 12:17 August 24, 2012

Electricity

NRC Investigates Duke's 951 MW Shearon Harris Nuclear Plant in North Carolina for Alleged Safety Violations

The U.S. Nuclear Regulatory Commission is meeting with Duke Energy today regarding alleged safety violations at the company's Shearon Harris nuclear power plant in North Carolina. According to the NRC, the plant's emergency operations ventilation system was out of service for extended periods of time over two years, and the plant had changing amounts of unfiltered air getting into the technical support center without a technical basis for the change. Duke inherited the plant as part of its buyout of Progress Energy.

<http://finance.yahoo.com/news/nrc-duke-energy-meet-over-132130368.html>

Dominion's 871 MW Millstone Nuclear Unit 2 in Connecticut Ramped Up to 12 Percent by August 24

The Nuclear Regulatory Commission reported that on the morning of August 23 the unit was not operating.

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

Dominion's 815 MW Surry Nuclear Unit 2 in Virginia Reduced to 70 Percent by August 24

The Nuclear Regulatory Commission reported that on the morning of August 23 the unit was operating at full power.

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

Update: BP Says Recalled Gasoline Came From Faulty Alkylation Unit at Its 337,000 b/d Whiting, Indiana Refinery

BP Plc said August 23 that an alkylation unit at its 337,000 b/d refinery in Whiting, Indiana was the source of the 50,000 barrels of recalled gasoline shipped from the company's Whiting fuel storage terminal from August 13–17. On August 21, BP alerted Northwest Indiana fuel distributors that it was recalling this unleaded regular gasoline because it was contaminated. The company did not say what the problem with the alkylation unit specifically was but said it had made changes to operations to fix it.

Reuters, 18:04 August 24, 2012

Update: Citgo Says FCCU at Its 167,000 b/d Lemont, Illinois Refinery is Back Online August 23

Citgo Petroleum Corp. said Thursday that a fluid catalytic cracker unit (FCCU) at its 167,000 b/d Lemont refinery in Illinois was operating normally after operators shut the unit July 28 for unplanned repairs following an equipment issue. The FCCU was initially expected to return to service within the week, according to reports at that time. On August 8, Citgo reported it was restarting the FCCU in a filing with state environmental regulators, but traders later said the restart was unsuccessful.

Reuters, 11:08 August 23, 2012

Update: Chevron Says Its 245,271 b/d Richmond, California Refinery is Operating at Reduced Capacity August 23

Chevron Corp. reported on Thursday that its 245,271 b/d Richmond, California refinery was operating at a reduced capacity following the August 6 fire at its crude distillation unit. The cause of the incident and the extent of the damage is still under investigation, and Chevron will not say what the refinery's current operating capacity is.

http://articles.marketwatch.com/2012-08-23/industries/33335778_1_chevron-refinery-crude-unit-richmond-refinery

Update: Tesoro Says Its 103,800 b/d Wilmington, California Refinery is Operating Normally August 24

Tesoro Corp. filed a report with California pollution regulators Friday, stating that operations at its 103,800 b/d Wilmington, California refinery were normal following a unit trip. The company had reported flaring on Saturday after a hydrogen supplier reported a breakdown at the refinery on August 18.

Reuters, 9:59 August 24, 2012

ExxonMobil Reports FCCU Equipment Failure at Its 344,500 b/d Beaumont, Texas Refinery August 24

According to a filing with the Texas Commission on Environmental Quality, ExxonMobil experienced equipment failure at a gasoline-making fluid catalytic cracking unit at its 344,500 b/d Beaumont, Texas refinery and anticipates some impact on production.

Reuters, 11:29 August 24, 2012

Valero Reports Malfunction at Its 142,000 b/d Corpus Christi, Texas Refinery August 23

According to a filing with the Texas Commission on Environmental Quality, there was a malfunction in the complex 7 area of Valero's 142,000 b/d Corpus Christi, Texas refinery. Operators routed streams and returned the unit to normal operations immediately. Valero said that refinery production was not affected.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=172658>

PBF Delays Delaware Refinery Expansion Project; Plans to Shift Oil Deliveries to Rail Cars

PBF Energy has postponed a \$1 billion expansion project at its 190,000 b/d Delaware City, Delaware refinery that would have established units that produce ultra-low sulfur heating and diesel oil. Instead, it has launched a \$50 to \$60 million project that could shift the majority of its crude oil deliveries to rail cars instead of tanker ships. This project would allow PBF's rail unloading complex to handle up to an additional 100,000 b/d of oil.

<http://www.delawareonline.com/article/20120721/NEWS/307210046/Refinery-quietly-postpones-Clean-Fuels-expansion?odyssey=topicpage>

Update: Delta Air's 185,000 b/d Trainer, Pennsylvania Refinery is Receiving Crude

Delta Air Line said Thursday that its 185,000 b/d Trainer, Pennsylvania refinery is receiving crude oil in its tanks, ahead of the scheduled restart of some of its units in September. Delta purchased the refinery from Phillips 66 in June. The facility has been shut down since September 2011. Monroe Energy, which will operate the plant, said in June that it planned to resume fuel production in September.

<http://www.reuters.com/article/2012/08/23/refinery-operations-delta-trainer-idUSL2E8JNGKU20120823?feedType=RSS&feedName=rbsEnergyNews&rpc=43>

Kinder Morgan to Phillips 66's 247,000 b/d Sweeny, Texas Refinery with Eagle Ford Crude through Pipeline Extension

Kinder Morgan Energy Partners and Phillips 66 have entered into an agreement, under which Kinder Morgan will transport Eagle Ford crude to Phillips 66's Sweeny refinery, in Texas. Kinder Morgan has agreed to build a 27-mile pipeline extension of its Kinder Morgan Crude Condensate pipeline, with an initial capacity of 30,000 b/d, expandable to 100,000 b/d. Construction is scheduled to begin in the fourth quarter of 2012. Kinder Morgan's Crude Condensate pipeline transports crude from the Eagle Ford shale to the Houston Ship Channel.

<http://www.hydrocarbonprocessing.com/Article/3079617/Latest-News/Kinder-Morgan-to-supply-Phillips-66-Texas-refinery-with-Eagle-Ford-shale-crude.html>

Natural Gas

Nothing to report

Other News

Update: More Than 2,000 Barges Affected by Mississippi Drought as of August 24

As the depth of the Mississippi River continues to drop close to record lows, traffic to and from the Tulsa port of Catoosa is slowing, affecting at least 2,000 barges since Monday. According to the U.S. Corps of Engineers, more than 200 vessels have been impacted thus far, with 97 idle on Monday and Tuesday and 105 vessels idle on Wednesday.

<http://newsok.com/low-mississippi-water-level-slows-traffic-for-catoosa/article/3703678>
<http://www.chicagotribune.com/sns-rt-usa-droughtbargesl2e8jn5eq-20120823.0.2977977.full.story>

International News

IEA May Release Oil Reserves in September

The International Energy Agency said Friday it has dropped its opposition to allowing world oil consumers to tap into emergency oil inventories. According to the *Petroleum Economist*, the IEA has agreed to release as much or more than the 60 million barrel injection released last year as early as September.

Reuters, 12:56 August 24, 2012

Energy Prices

U.S. Oil and Gas Prices			
August 24, 2012			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	96.05	95.93	84.93
NATURAL GAS Henry Hub \$/Million Btu	2.81	2.78	4.01

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

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

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