



U.S. DEPARTMENT OF ENERGY  
Office of Electricity Delivery and Energy Reliability  
Infrastructure Security and Energy Restoration

# ENERGY ASSURANCE DAILY

Friday Evening, September 02, 2011

## Major Developments

### Update: Oil and Gas Infrastructure Shut Down in U.S. Gulf of Mexico Due to Tropical Storm Lee by September 2

As of 11:30 a.m. CDT today, the Bureau of Ocean Energy Management, Regulation, and Enforcement (BOEMRE) reported that 169 platforms and 16 rigs have been evacuated in the Gulf of Mexico due to Tropical Storm Lee (previously classified as Tropical Depression 13). A total of 666,321 b/d of oil production and 1,743 MMcf/d of natural gas production have been shut in. It is estimated that approximately 47.6 percent of the current oil production in the Gulf of Mexico has been shut-in, as has about 33 percent of total gas production. The Louisiana Offshore Oil Port (LOOP) also shut all tanker offloading today due poor sea conditions stemming the storm, while BP reinstated its August 30 declaration of force majeure for its 1.2 Bcf/d Destin natural gas pipeline. BP had after lifting it on September 1. The declaration of force majeure was originally issued due to high levels of fluids at a liquid handling facility located at the Pascagoula compressor station in Mississippi.

<http://www.boemre.gov/ooc/press/2011/press0902.htm>

<http://www.nasdaq.com/aspx/stock-market-news-story.aspx?storyid=201109021103dowjonesdjonline000487&title=louisiana-offshore-oil-port-halts-tanker-offloading-amid-storm>

<http://finance.yahoo.com/news/Oil-companies-brace-for-rb-1532778783.html?x=0&.v=2>

[http://www.downstreamtoday.com/news/article.aspx?a\\_id=27760](http://www.downstreamtoday.com/news/article.aspx?a_id=27760)

<http://www.reuters.com/article/2011/09/02/storm-usa-gulf-energy-idUSN1E7810TM20110902>

### Update: Over 416,000 Still without Power Due to Hurricane Irene September 2

Some utilities are still reporting large outages due to Hurricane Irene, which at its peak knocked out power to approximately 8.38 million customers. Utilities with large remaining outages are currently reporting an aggregate of about 416,000 customers still without power between Virginia and Massachusetts. For details on these remaining large outages, see the table below. For a list of all utilities' peak outages, see yesterday's Energy Assurance Daily.

For details on the impact of Hurricane Irene on customer outages, energy infrastructure issues and restoration efforts see: Hurricane Irene Situation Report #14, September 2, 2011 (10:00 AM EDT) issued by the U.S. Department of Energy, Office of Electricity Delivery & Energy Reliability, at the following URL:  
[http://www.oe.netl.doe.gov/emergency\\_sit\\_rpt.aspx](http://www.oe.netl.doe.gov/emergency_sit_rpt.aspx)

U.S. East Coast Customer Power Outages			
August 27 – September 2, 2011			
Electric Utility	State	Peak	Latest Reported
Connecticut Light & Power	CT	671,000	137,737
United Illuminating	CT	158,130	20,066
Baltimore Gas and Electric	MD	466,000	24,609
National Grid	MA	500,000	14,809
Jersey Central Power & Light	NJ	670,000	28,587
LIPA	NY	500,000	66,000
NYSEG	NY	134,000	10,821
National Grid	RI	340,000	24,939
Dominion Virginia Power	VA	785,000	88,905
<b>TOTAL*</b>		4,224,130	416,473

\*Total outages only represent electric utilities listed in this table.

Sources:

Connecticut Light & Power: <http://twitter.com/#!/CTLightandPower/status/108529164688179200> , <http://www.cl-p.com/outage/mobile.aspx>

United Illuminating: <http://www.uinet.com/storm/>

Baltimore Gas and Electric: <http://www.bge.com/customerservice/stormsoutages/currentoutages/Pages/default.aspx> , [http://files.shareholder.com/downloads/CEG/1386938549x0x494646/a2bf94e2-bdd0-465f-bf42-e415604ab46b/Release\\_8\\_BGE\\_Restores\\_Electric\\_Service\\_to\\_more\\_than\\_177000\\_Customers.pdf](http://files.shareholder.com/downloads/CEG/1386938549x0x494646/a2bf94e2-bdd0-465f-bf42-e415604ab46b/Release_8_BGE_Restores_Electric_Service_to_more_than_177000_Customers.pdf)

National Grid: <http://www1.nationalgridus.com/masselectric/stormcenter/> , <http://www1.nationalgridus.com/narragansett/stormcenter/> , [http://www.nationalgridus.com/aboutus/a3-1\\_news2.asp?document=6335](http://www.nationalgridus.com/aboutus/a3-1_news2.asp?document=6335) , [http://www.nationalgridus.com/aboutus/a3-1\\_news2.asp?document=6334](http://www.nationalgridus.com/aboutus/a3-1_news2.asp?document=6334) , [http://www.nationalgridus.com/aboutus/a3-1\\_news2.asp?document=6333](http://www.nationalgridus.com/aboutus/a3-1_news2.asp?document=6333)

Jersey Central Power & Light: <http://www.prnewswire.com/news-releases/additional-crews-join-jersey-central-power--light-in-storm-restoration-efforts-128909513.html> , <http://www.prnewswire.com/news-releases/firstenergys-hurricane-irene-outage-update-129028783.html> , <https://www.firstenergycorp.com/content/customer/help/outages/storm.html>

LIPA: <http://www.lipower.org/stormcenter/outagemap.html> , <http://www.lipower.org/newscenter/pr/2011/082811-irene.html> , <http://www.lipower.org/>

NYSEG: <http://www.nyseg.com/Outages/outageinformation.html> , <http://www.nyseg.com/OurCompany/News/2011/083011Irene11am.html> , <http://www.fox23news.com/news/local/story/NYSEG-Asks-Customers-to-be-Prepared-for-Long-Durat/wMT6aqSUpUW6VaTTHOMAHA.csp> , <http://www.nyseg.com/OurCompany/News/2011/090111Irene3pm.html>

Dominion Virginia Power: <http://www.dom.com/storm-center/dominion-electric-outage-summary.jsp> , <http://dom.mediaroom.com/index.php?s=43&item=1020> , <http://twitter.com/DomVAPower>

## ***Electricity***

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### **Update: PSE&G's 1,092 MW Salem Nuclear Unit 2 in New Jersey at Full Power by September 2**

According to reports, both units were reduced by August 31 when debris in the Delaware River from Hurricane Irene clogged the intake system at the plant. The Nuclear Regulatory Commission reported that on the morning of September 1 the unit was operating at 90 percent.

Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2011/>

### **Update: Southern's 1,152 MW Vogtle Nuclear Unit 1 in Georgia Ramped Up to 14 Percent by September 2**

According to previous reports, the unit shut due to unknown reasons while workers were performing equipment maintenance August 31-September 1. The Nuclear Regulatory Commission reported that on the morning of September 1 the unit was not operating.

<http://chronicle.augusta.com/latest-news/2011-09-01/idled-plant-vogtle-reactor-readied-restart>

Information also derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2011/>

### **Exelon's 850 MW Dresden Nuclear Unit 2 in Illinois Reduced to 85 Percent by September 2**

The Nuclear Regulatory Commission reported that on the morning of September 1 the unit was operating at full power.

Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2011/>

### **Dynegy's 510 MW Moss Landing Gas-Fired Unit 2 in California Reduced by September 1**

According to the California Independent System Operator, the unit reported an unplanned curtailment of 260 MW on September 1.

<http://content.caiso.com/unitstatus/data/unitstatus201109011515.html>

### **SCE's 200 MW Eastwood Hydro Unit in California Shut by September 1**

According to the California Independent System Operator, the unit reported an unplanned outage on September 1.

<http://content.caiso.com/unitstatus/data/unitstatus201109011515.html>

## **Update: Terra-Gen's 150 MW Alta Wind Energy Center Unit 3 in California Returns to Service by September 1**

According to the California Independent System Operator, the unit reported a return from a planned outage.  
<http://content.aiso.com/unitstatus/data/unitstatus201109011515.html>

## **AEP's 690 MW Oklaunion Coal-Fired Unit in Texas Shut September 2**

According to a filing with state regulators, operators shut the unit to repair a boiler tube leak.  
<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=158442>

## **Update: Operators Exit Notification of Unusual Event at Dominion's 1,842 MW North Anna Nuclear Plant in Virginia September 1**

According to a filing with the Nuclear Regulatory Commission (NRC), the plant exited its latest notification of unusual event which was issued due to a 3.4-magnitude aftershock from last week's earthquake. No damage was found at the plant.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2011/20110902en.html>

## **Technical Support Center Diesel Generator Non-Functional at FPL's 565 MW Duane Arnold Nuclear Unit in Iowa September 1**

According to a filing with the Nuclear Regulatory Commission (NRC), the Emergency Diesel Generator (EDG) was declared non-functional due to its failure to start during routine testing. The plant is currently in the process of determining the cause of the failure. Normal power to the technical support center is currently available.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2011/20110902en.html>

## **Update: NRC Criticizes Entergy's Standards during Unplanned Outage at 653 MW Pilgrim Nuclear Unit 1 in Massachusetts September 1**

The Nuclear Regulatory Commission (NRC) issued a report criticizing the owners of the plant for its enforcement of standards and inadequate training following an unplanned shutdown that occurred while returning the plant from a refueling and maintenance outage. The automatic shutdown was blamed on human error.

<http://finance.yahoo.com/news/NRC-critical-of-Mass-uke-apf-1676653642.html?x=0&v=1>

## **NRC Chair Sees Need to Analyze Nuclear Plants for New Seismic Risks Following the 5.8 Magnitude Quake that Hit Virginia August 23**

Nuclear Regulatory Commission (NRC) Chairman Gregory Jaczko told Reuters that the NRC is working through requiring plants to more regularly model quake risks using new seismic data. While no immediate risks have emerged, he expects that modifications to some plants will be needed.

Reuters, 20:38 September 1, 2011

## **Dominion Planning to Close or Convert Some Power Plants, Open New Ones in Virginia September 1**

Dominion Virginia Power announced the following plans in an update to its Integrated Resource Plan filed with the Virginia State Corporation Commission:

- The company will likely close its coal-fired 760 MW Chesapeake Energy Center in Virginia. Two of the four units are expected to be shut permanently by 2015 and the remaining two units likely would be shut down in 2016.
- One coal-fired unit at the 1,150 MW Yorktown Power Station in Virginia will likely close by 2015 and a second coal-fired unit will likely be converted to natural gas.
- Dominion also plans to bring two new 1,300 MW natural-gas fired power plants into service by 2016 and 2019, as well as 12 smaller natural gas-fired turbines between 2020 and 2026.
- The company is also considering whether to build a third unit at its 1,842 MW North Anna nuclear plant in Mineral, Virginia.

<http://finance.yahoo.com/news/Dominion-files-plan-to-meet-apf-1186261128.html?x=0&v=1>

<http://dom.mediaroom.com/index.php?s=43&item=1025>

## **TransAlta and Capital Power Corp.'s 495 MW Keephills Coal-fired Unit Begins Commercial Operation in Alberta September 1**

The plant employs advanced supercritical boiler technology that operates at higher boiler temperatures and pressures, and includes a high-efficiency steam turbine which consumes less fuel, lowering carbon dioxide emissions by approximately 24 percent

Reuters, 17:50 September 1, 2011

## ***Petroleum***

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### **Update: Colonial Pipeline Returns to Normal Operations after Brief Shutdown for Inspection Following Earthquake Aftershocks September 1**

The company reported the line was stopped briefly for inspections following aftershocks. With the inspections completed, the line was returned to service.

Reuters, 15:58 September 1, 2011

### **Maintenance Work Delays North Sea Forties Crude September Deliveries**

Traders familiar with the situation report that the work is taking longer than anticipated and has resulted in delaying 14 of the 24 North Sea Forties crude oil cargoes scheduled to load in September.

Reuters, 06:48 September 2, 2011

### **SRU Process Upset Reported at Delek's 60,000 b/d Tyler, Texas Refinery September 2**

According to a filing with state regulators, the incident led to flaring.

Reuters, 09:52 September 2, 2011

<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=158763>

### **Review by California Division of Oil, Gas & Geothermal Resources Calls for Stricter Oversight of Injection Methods Used in California Oil Fields**

The review, commissioned by the U.S. Environmental Protection Agency (EPA), recommends requiring stricter measures in the permitting process for underground injection with a goal to protect sources of drinking water in the area.

[http://www.rigzone.com/news/article.asp?a\\_id=110660](http://www.rigzone.com/news/article.asp?a_id=110660)

<http://www.conservation.ca.gov/dog/Pages/Index.aspx>

### **Oil Spill Closes Five Mile stretch of Mobile River in Alabama September 1**

The spill occurred just after midnight when heavy fuel oil was being transferred from one tank to another. No vessels were involved. The U.S. Coast Guard indicated that the stretch of the river could be closed for as long as five days while clean up operations are underway.

Reuters, 12:58 September 1, 2011

### **Update: Enbridge Says it Will Not Meet EPA's Deadline for Cleaning Up its 843,000-Gallon Oil Spill in the Kalamazoo River in Michigan August 29**

The U.S. Environmental Protection Agency (EPA) received a letter on Monday from Enbridge saying that the company would not complete its cleanup work by the EPA's August 31 deadline. The company's pipeline spilled 843,000 gallons of oil in late July 2010.

<http://www.battlecreekenquirer.com/apps/pbcs.dll/article?AID=2011309010008>

## ***Natural Gas***

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### **Multiple Companies Currently Building 400 MMcf/d Natural Gas Gathering System in Marcellus Shale**

The new system will service Epsilon Energy, Chesapeake Energy, and Statoil USA's farm-out area, plus have additional capacity for off-system gas.

[http://www.downstreamtoday.com/news/article.aspx?a\\_id=27750](http://www.downstreamtoday.com/news/article.aspx?a_id=27750)

## Other News

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### White House Withdraws EPA's Proposed Ozone Regulations September 2

Citing the importance of reducing regulatory burdens and regulatory uncertainty, President Obama announced today that the U.S. Environmental Protection Agency's (EPA) draft Ozone National Ambient Air Quality Standards would be withdrawn.

<http://www.google.com/hostednews/ap/article/ALeqM5gO5p7VJR33dSckCBKxCtNC8px9oA?docId=e973aea6f4694cfa84948931c2df278f>

<http://abcnews.go.com/blogs/politics/2011/09/obama-withdraws-environmental-rules-citing-business-burden/>

## Energy Prices

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U.S. Oil and Gas Prices September 2, 2011			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	88.93	84.93	74.31
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	4.18	4.01	3.73

Source: Reuters

## Energy Notes

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### B.C. Hydro Plans to Build 213-Mile, 287 kV Northwest Transmission Line between its Skeena Substation and a Proposed Substation in British Columbia September 2

<http://investors.quantaservices.com/phoenix.zhtml?c=75389&p=irol-newsArticle&ID=1603069>

### Update: China's State Oceanic Administration Orders ConocoPhillips to Cease O&G Production at Penglai 19-3 Field in Bohai Bay Due to Failure to Clean Spills September 2

<http://finance.yahoo.com/news/China-says-ConocoPhillips-apf-736270698.html?x=0&.v=6>

### Operators Report Flaring Due to Issue at Engine #23 at Keystone Gas Plant in Texas September 1-2

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=158779>

## 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 EDT every Wednesday.

***Natural Gas Weekly Update*** from EIA

<http://www.eia.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM EDT every Thursday.

## ENERGY ASSURANCE DAILY

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

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