



# ENERGY ASSURANCE DAILY

Friday Evening, September 21, 2012

## *Electricity*

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### **Reactor Coolant Pump Trip Shuts Exelon's 802 MW Three Mile Island Nuclear Unit 1 in Pennsylvania September 20**

Exelon Corp. reported Three Mile Island Unit 1 on Thursday afternoon automatically tripped from full power due to a flux to flow imbalance as a result of a trip of the 'C' reactor coolant pump, according to a filing with the U.S. Nuclear Regulatory Commission. The cause of the trip was still under investigation at the time of the filing. A company spokesman on Friday said operators were conducting repairs on the reactor coolant pump without specifying the cause of the malfunction or when the reactor was expected to return to operation.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2012/>  
<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2012/20120921en.html>  
[http://www.exeloncorp.com/Newsroom/Pages/pr\\_20120920\\_generation\\_tmishutdown.aspx](http://www.exeloncorp.com/Newsroom/Pages/pr_20120920_generation_tmishutdown.aspx)  
<http://www.reuters.com/article/2012/09/21/utilities-operations-exelon-threemile-idUSL1E8KL4J320120921?feedType=RSS&feedName=financialsSector&rpc=43>

### **Turbine Trip Shuts Constellation's 565 MW Nine Mile Point Nuclear Unit 1 in New York September 20**

Constellation Energy reported its Nine Mile Point Unit 1 on Thursday morning automatically scrambled from full power due to a turbine trip, according to a filing with the U.S. Nuclear Regulatory Commission. The cause of the turbine trip was under investigation at the time of the filing.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2012/>  
<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2012/20120921en.html>

### **Update: DTE's 1,089 MW Fermi Nuclear Unit 2 in Michigan Ramped Up to 68 Percent by September 21**

DTE Energy's Fermi nuclear Unit 2 is returning from an outage that began September 14, when the reactor automatically scrambled due to an onsite loss of the 120-kV switchyard. An investigation into the cause of the loss of power was ongoing at the time of the original filing with the U.S. Nuclear Regulatory Commission.

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

### **Update: Regulators Grant Ameren More Time to Install Pollution Controls at Its 1,198 MW Newton Coal-Fired Power Plant in Illinois**

The Illinois Pollution Control Board on Thursday said Ameren Corp. could delay until 2020 the installation of pollution controls at its Newton coal-fired power plant. Ameren in May filed a petition with the board seeking flexibility in meeting certain emissions standards established by the Illinois Multi-Pollutant Standards, citing the high cost of installing pollution control equipment. At that time, Ameren said it would have to consider mothballing the plant in 2015 if it wasn't granted an extension.

<http://www.canadianbusiness.com/article/99474--ill-regulators-delay-ameren-pollution-controls>

### **Update: AES's 225 MW Huntington Beach Natural Gas-Fired Unit 3 and 215 MW Natural Gas-Fired Unit 4 in California Return to Service by September 20**

Unit 3 returned from an unplanned outage that began by September 19, and Unit 4 returned from an unplanned curtailment of 124 MW that began by September 19.

<http://content.aiso.com/unitstatus/data/unitstatus201209201515.html>  
<http://content.aiso.com/unitstatus/data/unitstatus201209201515.html>

## **PG&E's 119 MW Belden Hydro Unit in California Shut by September 20**

The unit entered an unplanned outage.

<http://content.aiso.com/unitstatus/data/unitstatus201209201515.html>

## **Petroleum**

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### **Unspecified Process Unit Upset Leads to Sulfur Dioxide Emissions at BP's 225,000 b/d Cherry Point, Washington Refinery September 20**

BP Plc reported sulfur dioxide emissions from its Cherry Point refinery on Thursday were due to an unspecified process unit upset, according to a filing with the Northwest Clean Air Agency. The process unit upset was ongoing and some intermittent flaring was possible, the filing said. In a separate filing with the regulators, BP reported a hydrogen plant malfunction at the refinery led to the loss of a compressor in the hydrocracker on September 11. Reuters, 17:15 September 20, 2012

### **Compressor Shutdown Causes Flaring, Emissions at Citgo's 167,000 b/d Lemont, Illinois Refinery September 20**

Citgo Petroleum Corp. reported a malfunction caused a flare gas compressor to shut at its Lemont refinery Thursday morning, which led to flaring and the release of an unknown amount of fuel gas into the atmosphere, according to a filing with the U.S. National Response Center.

[http://www.nrc.uscg.mil/reports/rwservlet?standard\\_web+inc\\_seq=1024982](http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1024982)

### **Phillips 66 Reports Flaring Due to Unknown Causes at Its 139,000 b/d Wilmington, California Refinery September 20**

Phillips 66 reported flaring at its Wilmington refinery Thursday was due to unknown causes, according to a filing with the California Emergency Management Agency. The flaring had not yet been contained at the time of the filing.

Reuters, 17:40 September 20

### **CO Boiler Leak Causes Emissions at Alon's 67,000 b/d Big Spring, Texas Refinery September 20**

Alon USA Energy reported emissions from a carbon monoxide (CO) boiler at its Big Spring refinery Thursday morning were due to a leak in flue gas bundle steam generator, according to a filing with the Texas Commission on Environmental Quality. Operators were beginning reports on the CO boiler at the time of the filing.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=173748>

### **Update: BSEE Authorizes Shell to Move Forward with Preparatory Activities in the Beaufort Sea Offshore Alaska**

The U.S. Bureau of Safety and Environmental Enforcement (BSEE) on Thursday announced that it has given Royal Dutch Shell Plc permission to move forward with certain limited preparatory activities in the Beaufort Sea offshore Alaska, in preparation for potential development activities in the future. BSEE on August 30 authorized Shell to conduct similar preparatory activities in the Chukchi Sea. No operations may begin in the Beaufort Sea until the subsistence whaling season has ended and Shell has received approval from the U.S. Bureau of Ocean Energy Management, and Shell is not permitted to drill into any hydrocarbon zone without having an approved spill-containment barge in place in the Arctic. The company is awaiting approval from the U.S. Coast Guard to launch its spill-containment barge the *Arctic Challenger*, but the vessel was recently damaged during testing activities. The time required to repair the barge and to ensure the safety of operations from ice floe movement led the company to postpone drilling into hydrocarbon zones in the Beaufort or Chukchi Seas this year.

<http://www.bsee.gov/BSEE-Newsroom/Press-Releases/2012/Press09202012.aspx>

## Natural Gas

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### **Inergy Midstream, Partners Announce the Execution of Binding Capacity Agreements for Proposed 800 MMcf/d Commonwealth Natural Gas Pipeline Project in Pennsylvania**

Inergy Midstream, LP, UGI Energy Services, Inc., and Capital Energy Ventures Corp. on Thursday announced the companies have executed binding 10-year agreements for firm transportation capacity on the Commonwealth Pipeline, which is intended to provide natural gas produced in the Marcellus and Utica Shale plays to markets in central and southeastern Pennsylvania and the greater Mid-Atlantic region. The proposed pipeline will consist initially of approximately 120 miles of 30-inch pipeline extending from the southern terminus of Inergy's MARC I pipeline in Lycoming County, Pennsylvania, to several points of interconnection with other interstate pipelines in southeastern Pennsylvania. The pipeline is expected to have an initial capacity of 800 MMcf/d, and pending necessary regulatory approvals, the companies expect commercial operation to begin in 2015.

<http://www.dailyfinance.com/2012/09/20/the-sponsors-of-the-commonwealth-pipeline-project/>

### **Update: FERC Approves Alliance Pipeline's 120 MMcf/d Tioga Lateral Pipeline Project to Ship Natural Gas from the Bakken Shale in North Dakota to the Chicago Market**

The U.S. Federal Energy Regulatory Commission (FERC) on Thursday approved Alliance Pipeline LP to construct and operate a 79-mile, 12-inch pipeline to connect natural gas production from the Bakken shale in Eastern Montana and Western North Dakota to Alliance's mainline. The Tioga Lateral Project will extend from a gas processing facility near Tioga, North Dakota to Alliance's mainline near Sherwood, North Dakota, for onward shipment to the Chicago market area. The project originally planned an in-service date of July 2013, subject to regulatory and other required approvals.

<http://www.ferc.gov/whats-new/comm-meet/2012/092012/C-1.pdf>

## Other News

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### **Mississippi River Lock near St. Louis Reopens September 21 after Repairs; Traffic Jam Had Grown to 455 Barges – U.S. Coast Guard**

The U.S. Army Corps of Engineers reopened the Mississippi River's Lock 27 at Granite City, just north of St. Louis, at about 3:30 a.m. Thursday after crews completed emergency repairs. The shutdown had stranded hundreds of barges, hauling everything from grains to coal, fertilizer and construction materials, destined for points north or south; the U.S. Coast Guard reported said the traffic jam had grown to 63 vessels and 455 barges by late Wednesday. Movement has now resumed and the last of the idled barges were expected to clear the corridor in 2–3 days, a Coast Guard official said Thursday. Workers closed the lock on Saturday after discovering that a protection cell—a rock-filled steel cylinder against which barges rub to help align them for proper entry into the lock—had split open, spilling enough of the rock into the river to obstruct passage. The damage occurred to a section of the protection cell that the barges don't typically make contact with because they're often 15–20 feet under water, a spokesman from the U.S. Army Corps of Engineers said. In this case, the portion was exposed because the river's level has been lowered by a persistent drought in the region, the spokesman said.

[http://www.washingtonpost.com/business/mississippi-river-barge-traffic-halted-near-st-louis-as-crews-make-repairs-near-lock/2012/09/19/20f6a488-02b7-11e2-9132-f2750cd65f97\\_story.html](http://www.washingtonpost.com/business/mississippi-river-barge-traffic-halted-near-st-louis-as-crews-make-repairs-near-lock/2012/09/19/20f6a488-02b7-11e2-9132-f2750cd65f97_story.html)

## International News

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### **Nexen Shareholders and Canadian Court Approve CNOOC's Planned Acquisition of Nexen**

CNOOC Ltd. made progress this week in its bid to acquire Calgary-based energy firm Nexen Inc. after Nexen's shareholders on Thursday voted overwhelmingly in favor of CNOOC's \$15.1 billion offer, and the Court of Queen's Bench of Alberta on Friday cleared the deal. The proposed deal, which was announced in July, must still secure regulatory approval from the governments of Canada, China, and the United States, but CNOOC expects a deal to be completed in the fourth quarter. CNOOC is China's largest offshore oil company by production. Acquiring Nexen would allow it to secure oil and gas reserves in western Canada, the North Sea, the U.S. Gulf of Mexico, and offshore Nigeria.

[http://www.rigzone.com/news/Canadian\\_Court\\_Clears\\_Cnoocs\\_Planned\\_151\\_Billion\\_Acquisition\\_of\\_Nexen](http://www.rigzone.com/news/Canadian_Court_Clears_Cnoocs_Planned_151_Billion_Acquisition_of_Nexen)

[http://www.rigzone.com/news/oil\\_gas/a/120859/Nexen\\_Shareholders\\_Approve\\_CNOOC\\_Deal](http://www.rigzone.com/news/oil_gas/a/120859/Nexen_Shareholders_Approve_CNOOC_Deal)

[http://www.nexeninc.com/en/NewsReleases/News/Release.aspx?year=2012&release\\_id=133048](http://www.nexeninc.com/en/NewsReleases/News/Release.aspx?year=2012&release_id=133048)

## Update: Fire Continues to Burn in One Naphtha Storage Tank at PDVSA's 146,000 b/d Refinery in Venezuela September 21

Firefighters worked to extinguish a fire in a fuel storage tank at Petroleos de Venezuela SA's (PDVSA) El Palito refinery on Friday, but the intensity of the flames had reduced and authorities expected it to be extinguished soon. Lightning during an electrical storm overnight Wednesday set fire to two naphtha storage tanks that are "some distance" from production units at the refinery. PDVSA crews were able to extinguish the fire in one tank within hours, but the blaze in the second tank continued to burn Friday afternoon. Officials had originally expected to extinguish the fire by the end of the day Thursday. The fire is not expected to impact production at the refinery. <http://www.reuters.com/article/2012/09/21/venezuela-refinery-idUSL1E8KLDBU20120921>

## Energy Prices

| U.S. Oil and Gas Prices  |       |          |          |
|--|-------|----------|----------|
| September 21, 2012   |       |          |          |
|  | Today | Week Ago | Year Ago |
| <b>CRUDE OIL</b><br><b>West Texas Intermediate U.S.</b><br>\$/Barrel | 92.80 | 99.12    | 86.95    |
| <b>NATURAL GAS</b><br><b>Henry Hub</b><br>\$/Million Btu             | 2.76  | 3.01     | 3.84     |

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](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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