



ENERGY ASSURANCE DAILY

Tuesday Evening, November 06, 2012

Major Developments

OE/ISER Situation Report: Hurricane Sandy

At 8:00 p.m. EDT October 29, the National Hurricane Center reported Hurricane Sandy made landfall near Atlantic City, New Jersey as a post-tropical cyclone. The storm has brought heavy rain, winds, and snow in higher elevations to the U.S. Mid-Atlantic and Northeast, and to portions of U.S. Midwest. For details on the impact of this storm on customer outages, energy infrastructure issues, and restoration efforts, see: Hurricane Sandy Situation Reports issued by the U.S. Department of Energy, Office of Electricity Delivery & Energy Reliability (OE/ISER) at the following URL:

http://www.oe.netl.doe.gov/named_event.aspx?ID=67

Electricity

Update: NRC Terminates Foreign-Owned UniStar's Proposal to Build 1,600 MW Nuclear Unit at Constellation's Calvert Cliffs Nuclear Station in Maryland

The U.S. Nuclear Regulatory Commission (NRC) on November 1 terminated its review of a proposal to build a third nuclear reactor at Constellation's Calvert Cliffs nuclear station in Maryland, citing the 1954 Atomic Energy Act, which prohibits the NRC from issuing a reactor license to any company owned by a foreign corporation or government. In August, the NRC's Atomic Safety and Licensing Board said it could not issue a license to French-owned UniStar Nuclear to build a new reactor at Calvert Cliffs as long as the company remained completely foreign owned. UniStar was given 60 days to change its ownership to satisfy these requirements; that period ended last week.

<http://www.capitalgazette.com/news/business/nrc-terminates-application-for-calvert-cliffs-reactor.html>

http://www.thebaynet.com/news/index.cfm/fa/viewstory/story_ID/30102

Entergy's 510 MW Vermont Yankee Nuclear Unit in Vermont Reduced to 37 Percent by November 6

On the morning of November 5 the unit was operating at full power.

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

CDWR's 933 MW Hyatt-Thermalito Hydro Unit in California Reduced by November 5

The unit entered a curtailment of 594 MW that was due to planned and unplanned causes.

<http://content.caiso.com/unitstatus/data/unitstatus201211051515.html>

Update: Calpine's 135 MW Calpine American I Natural Gas-Fired Unit in California Returns to Service by November 5

The unit returned from an unplanned outage that began by November 4.

<http://content.caiso.com/unitstatus/data/unitstatus201211051515.html>

Update: Chevron Says Its 85,000 b/d Kettleman-Los Medanos Crude Oil Pipeline in California May Remain Shut until December

Chevron Corp. on Monday said it may take another month to fully reopen its 85,000 b/d Kettleman-Los Medanos pipeline ("KLM pipeline"), which has been shut since September 19 due to elevated levels of organic chloride. A spokesman said the company was still in the process of flushing the pipeline of organic chlorides, but he did not indicate whether the company knows why the elevated levels occurred. The KLM pipeline carries crude oil from Kern County to Northern California refineries operated by Royal Dutch Shell Plc, Tesoro Corp., and Valero Energy Corp. Chevron said it was continuing to work with stakeholders to keep them informed of plans to restore normal operations to the pipeline.

<http://www.equities.com/news/headline-story?dt=2012-11-05&val=673345&cat=energy>

Enbridge Considering 225,000 b/d Sandpiper Oil Pipeline Project to Transport Bakken Crude from North Dakota to Superior, Wisconsin

Enbridge Pipelines reported it is in the very early planning stages for its proposed 225,000 b/d Sandpiper pipeline, which would transport Bakken crude from northwest North Dakota to Superior, Wisconsin, with service starting in late 2015 or early 2016. The exact route for the proposed 500-plus-mile pipeline is still being determined, but it would run from the Beaver Lodge area south of Tioga to the main Enbridge terminal in Superior, where it would connect to Enbridge's mainline system. Enbridge is in talks with shippers to gauge their interest in the project, and plans to begin discussions with regulatory agencies in North Dakota, Minnesota, and Wisconsin.

<http://www.thedickinsonpress.com/event/article/id/62713/>

Update: BP Restarts Ultracracker Unit at Its 455,790 b/d Texas City, Texas Refinery November 6

BP Plc reported the ultracracker unit at its Texas City refinery would on Tuesday begin restarting after shutting down Sunday for unplanned maintenance, according to a filing with the Texas Commission on Environmental Quality. Emissions related to restart activities were expected to continue until November 9.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=175659>

Shell Restarts Coking Unit at Its 156,400 b/d Martinez, California Refinery by November 1

Royal Dutch Shell Plc on November 1 reported it had restarted a coking unit at its Martinez refinery that had been down for approximately two months, according to a filing with the Contra Coast County Health Department Hazardous Materials Department.

<http://www.nasdaq.com/article/refinery-status-coker-restarted-at-shell-refinery-in-martinez-california-20121106-01007>

ExxonMobil Performs Repairs to Unspecified Unit at Its 149,500 b/d Torrance, California Refinery November 5

ExxonMobil Corp. reported it was performing repairs on an unspecified unit at its Torrance refinery, according to a filing with the South Coast Air Quality Management District. Emissions related to the repairs were expected to continue through November 12. A spokeswoman said the refinery continues to operate normally and expects no impact to production.

<http://www.bloomberg.com/news/2012-11-05/california-gasoline-gains-on-repairs-at-exxon-torrance-refinery.html?cmpid=yhoo>

Marathon Reports Emissions near FCCU at Its 226,000 b/d Catlettsburg, Kentucky Refinery October 31

Marathon Petroleum Corp. reported an emissions event took place on October 31 near a fluid catalytic cracking unit (FCCU) at its Catlettsburg refinery, according to a filing with state environmental regulators. The filing does not indicate whether the emissions event had an effect on the FCCU.

<http://www.nasdaq.com/article/refinery-status-coker-restarted-at-shell-refinery-in-martinez-california-20121106-01007>

Arc Terminals, CN to Build 75,000 b/d Rail Terminal in Alabama to Handle Western Canadian and Bakken Crude Shipments to Gulf Coast Refineries

Arc Terminals LP on Monday announced it is working with Canadian National Railway (CN) to build a rail tank-car unloading terminal in Mobile, Alabama to handle Western Canadian heavy and Bakken light crude oils destined to Gulf Coast refineries. The CN-served facility, which will have a maximum crude-oil handling capacity of 75,000 barrels or up to 120 tank cars per day, is scheduled to start operation by June 2013. Initial volume is expected to be 40 tank cars of crude oil daily, increasing according to demand. The Mobile terminal will also load condensate into tank cars for backhaul by CN to Western Canadian oil producers. The new rail transloading facility will be connected to Arc Terminals' 700,000-barrel Blakely tank farm via a new pipeline. Terminal capacity could be expanded to more than one million barrels to meet potential future demand.

<http://www.cn.ca/en/media-news-arc-cn-mobile-crudeoil-20121105.htm>

Update: Husky Says First Phase of Its 200,000 b/d Sunrise Oil Sands Project in Alberta on Track to Start Producing 60,000 b/d in 2014

Husky Energy Inc. on Thursday said its Sunrise Energy Project, a joint venture oil sands project the company is developing in Alberta with BP Plc, is on budget and proceeding as scheduled. The first phase of the Sunrise project is approximately 50 percent complete and is scheduled to produce 60,000 b/d starting in 2014. The companies expect the project to yield up to 200,000 b/d by 2020.

<http://www.reuters.com/article/2012/11/01/husky-sunrise-idUSL1E8M16KH20121101>

http://www.huskyenergy.com/news/release.asp?release_id=1685158

Plains All American Pipeline Plans to Ship Both Crude Oil and NGLs Using 6,000 Rail Cars by the End of 2013

Plains All American Pipeline LP on Tuesday said it will control about 6,000 rail cars to transport crude oil and natural gas liquids (NGLs) to refineries and processing plants by the end of 2013. The company expects to have the rail cars about evenly distributed between crude oil and NGLs.

<http://www.reuters.com/article/2012/11/06/plainsallamerican-results-railcars-idUSL1E8M65OD20121106?feedType=RSS&feedName=marketsNews&rpc=43>

Natural Gas

Regency Shuts AGI Compressor to Replace Faulty Discharge Valve at Its 290 MMcf/d Waha Gas Plant in Texas November 3

Regency Energy Partners reported it shut an acid gas injector (AGI) compressor at its Waha plant Saturday morning to replace a faulty discharge valve, according to a filing with the Texas Commission on Environmental Quality.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=175678>

Other News

New Energy Idles 100 MMGal/Year South Bend Ethanol Plant in Indiana Due to Poor Economics

New Energy Corp. on Monday said it has idled its 100 MMGal/Year ethanol plant in South Bend, Indiana due to poor margins caused by an industry supply glut, tepid demand, and high corn prices after a severe U.S. drought this year. New Energy plans to sell the plant when market conditions improve.

<http://www.businessweek.com/news/2012-11-06/new-energy-idles-indiana-ethanol-plant-on-falling-profitability>

Occidental Petroleum Says Cyber Attack on Email System in 2009–2010 Had No Effect on Operations

Occidental Petroleum Corp. reported the company experienced a cyber attack on its email system in 2009 and 2010, according to a recently released quarterly filing with the U.S. Securities and Exchange Commission (SEC).

Occidental said the attack had no effect on its operations.

<http://www.reuters.com/article/2012/11/02/occidentalpetroleum-cyberattack-idUSL1E8M28AG20121102?feedType=RSS&feedName=technologySector&rpc=43>

Update: South Sudan Could Resume 230,000 b/d of Production by December, Earlier Than Previously Expected; Aims to Increase Output to 380,000 b/d – Oil Minister

South Sudan could resume producing up to 230,000 b/d of oil within a month, an oil minister said on Saturday. This will include approximately 180,000–200,000 b/d from the Upper Nile state oilfields (roughly 70–80 percent of full output) and approximately 30,000 b/d from the Unity state oilfields (roughly 30 percent of full output). South Sudan aims to restore full output in its Upper Nile state oilfields by March and in its Unity state fields by May, the minister said. These estimates are faster than the ministry's previous guess that it would take until mid-January to restart production, after a 9-month shutdown sparked by a long-running dispute over oil transport fees. South Sudan said also that it aims to boost Unity state production to about 100,000 b/d, up from around 70,000 b/d before the shutdown, by adding new wells and other infrastructure. That would bring South Sudan's total output to around 380,000 b/d.

<http://english.alarabiya.net/articles/2012/11/04/247571.html>

http://online.wsj.com/article/SB10001424052970204349404578100800979427098.html?mod=googlenews_wsj

Energy Prices

U.S. Oil and Gas Prices			
November 6, 2012			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	88.47	85.64	93.82
\$/Barrel			
NATURAL GAS			
Henry Hub	3.61	3.43	3.39
\$/Million Btu			

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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