



ENERGY ASSURANCE DAILY

Wednesday Evening, November 14, 2012

Major Developments

More Than 84,000 Utility Customers in New York and New Jersey Remain Unable to Receive Power without Owner Repairs; NYC Launches ‘Rapid Repairs’ Program

More than 84,000 utility customers in New York and New Jersey on Wednesday remained unable to receive power without repairs, due primarily to flood damage, after Hurricane Sandy and the subsequent Nor’easter. These include approximately 16,300 Consolidated Edison customers in New York City, 38,000 Long Island Power Authority (LIPA) customers on Long Island, and 30,000 Jersey Central Power & Light customers in New Jersey. LIPA on Wednesday said it was close to restoring electric service to the last 8,000 customers on Long Island that are able to safely receive power. Once customers make the necessary repairs to their homes and receive an electric certification stating they can safely accept power, those customers can expect to have power re-established in less than 48 hours. In New York City, Mayor Michael Bloomberg last Friday announced the city was launching a “Rapid Repairs” program set up jointly with the U.S. Federal Emergency Management Agency (FEMA) to facilitate assessments and repairs by electricians and other contractors, paid for by FEMA grants.

<http://www.lipower.org/newscenter/pr/2012/111312-restoration.html>

<http://www.nyc.gov/portal/site/nycgov/>

<http://www.reuters.com/article/2012/11/14/storm-sandy-lipa>

<http://www.reuters.com/article/2012/11/14/storm-sandy-electricians>

Update: Hess Restarts Operations at Its 70,000 b/d Port Reading, New Jersey Refinery by November 14; Expects Production to Resume by the Week’s End

Hess Corp. on Wednesday said it was restarting its Port Reading refinery, which was shut in advance of Hurricane Sandy’s landfall on October 29, and expected production to resume by the week’s end. The company also said it resumed limited marine operations out of its Bayonne, New Jersey terminal earlier this week. Rack operations at the Bayonne terminal were still suspended, a spokesman said.

Reuters, 11:24 November 14, 2012

U.S. Officials Say Companies Plan to Use Jones Act Waiver to Ship 10 Cargos of Oil Products to U.S. Northeast

The U.S. Department of Transportation’s Maritime Administration on Tuesday reported that nine companies plan to use a temporary waiver of the Jones Act allowing foreign flagged ships to take oil products from the Gulf of Mexico to the U.S. Northeast to aid in recovery efforts after Hurricane Sandy. The companies plan to transport ten shipments of petroleum products and fuel additives to the Northeast, officials said. Under the waiver, which was issued on November 2 by the U.S. Department of Homeland Security, ships were to be loaded by Tuesday for delivery by November 20.

Reuters, 16:49 November 13, 2012

TransCanada Declares Force Majeure on Its 590,000 b/d Keystone Crude Oil Pipeline November 14 after Reducing Rates Since November 10 Due to Power Supply Restrictions

TransCanada Corp on Wednesday said it was declaring force majeure on some shipments on its 590,000 b/d Keystone oil pipeline after it ran at reduced rates since Saturday because of power supply restrictions. The 2,154-mile pipeline extends from Hardisty, Alberta to U.S. markets at Wood River and Patoka in Illinois, and from Steele City, Nebraska to Cushing, Oklahoma. Shipments were reduced from Saturday afternoon until Tuesday afternoon as utility crews in Manitoba worked to clear ice from power lines. Operators were restoring normal flow rates of about 500,000 b/d on Wednesday, and the company was working with shippers to reschedule some November shipments. TransCanada declined to say what volume of oil was subject to its force majeure declaration.

Reuters, 11:08 November 14, 2012

<http://ca.reuters.com/article/businessNews/idCABRE8AD13T20121114>

New York Governor Launches Investigation of Utility Companies' Storm Response; Recommends Overhauling Entire New York System to Better Deal with Emergencies

New York Governor Andrew Cuomo on Tuesday signed an Executive Order to establish a commission under the Moreland Act that will investigate the response, preparation, and management of New York's power utility companies with major storms hitting the state over the past two years, including Hurricanes Sandy and Irene, and Tropical Storm Lee. The commission will investigate the New York Power Authority, the Long Island Power Authority, the New York State Energy and Research Development Authority, and the Public Service Commission, which regulates a number of utilities, including Consolidated Edison Inc. The commission will be tasked to undertake a thorough review of all actions taken by the power companies before and after these emergencies, and make specific recommendations to reform and modernize oversight, regulation, and management of New York's power delivery services.

<http://www.governor.ny.gov/press/11132012Section6>

<http://www.reuters.com/article/2012/11/13/us-storm-sandy-idUSBRE8AC12920121113>

Long Island Residents File Class-Action Lawsuit against LIPA, National Grid for Failing to Replace 'Outdated, Obsolete' Management System

Attorneys on Tuesday filed a class-action lawsuit against the Long Island Power Authority (LIPA) and National Grid Plc on behalf of Long Island residents, claiming the utility failed to replace an "outdated, obsolete" management system for dealing with major power outages. The complaint was filed in the New York State Supreme Court in Nassau County. National Grid operates and maintains LIPA's power grid that expires at the end of 2013. Public Service Enterprise Group, Inc. will take over operations on January 1, 2014.

<http://www.bloomberg.com/news/2012-11-13/long-island-power-authority-sued-over-hurricane-sandy.html?cmpid=yahoo>

http://newsandinsight.thomsonreuters.com/New_York/News/2012/11_-_November/Long_Island_power_agency_faces_class_action_over_Sandy_outages/

NRC Begins Special Inspection at Exelon's Oyster Creek Nuclear Power Plant in New Jersey to Review Issues at Site During Hurricane Sandy

The U.S. Nuclear Regulatory Commission (NRC) on Friday said it has initiated a Special Inspection at Exelon's Oyster Creek nuclear power plant in response to issues that arose when Hurricane Sandy impacted the facility on October 29 and 30. NRC inspectors are reviewing the circumstances surrounding the company's event declaration activities related to water level increases at the plant's water intake structure during the storm.

<http://www.nrc.gov/reading-rm/doc-collections/news/2012/12-045.i.pdf>

Update: Entergy Says It May Have to Replace Fire-Damaged Transformer at Its 813 MW FitzPatrick Nuclear Power Plant in New York after November 11 Shutdown

Entergy Nuclear said it was working to determine whether it can use a spare transformer at its FitzPatrick nuclear power plant to replace one that was damaged in a fire on Sunday, according to a spokeswoman. The spare would require some modifications if the company decides to use it, but no decision had yet been made. The transformer impacted by the fire is one of two main transformers at the plant. Electricity traders familiar with nuclear power plants said it was possible to operate a reactor on only one transformer but it would have to run at reduced power.

<http://www.reuters.com/article/2012/11/13/utilities-operations-entergy-fitzpatrick-idUSL3E8MD5CC20121113?feedType=RSS&feedName=financialsSector&rpc=43>

Constellation's 565 MW Nine Mile Point Nuclear Unit 1 in New York Reduced to 86 Percent by November 13 Due to Turbine Malfunction

Constellation Energy Nuclear Group reported it reduced its Nine Mile Point Unit 1 to 86 percent on Tuesday after operators identified a problem with the turbine lubrication oil system, according to a spokeswoman. Operator were still investigating the issue Tuesday afternoon.

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

<http://www.reuters.com/article/2012/11/13/utilities-operations-constellation-ninem-idUSL3E8MD5DP20121113?type=companyNews&feedType=RSS&feedName=companyNews&rpc=43>

Update: Constellation's 1,120 MW Nine Mile Point Nuclear Unit 2 in New York Reduced to 19 Percent by November 14

Constellation Energy Nuclear Group on Tuesday reported it had begun reducing power on its Nine Mile Point Unit 2 on November 10 in preparation for a planned outage to repair a valve in the main steam tunnel, but the New York grid operator asked the utility to delay the outage due to transmission system issues. Operators reduced Unit 2 to 20 percent by November 11, before ramping back up to 86 percent by November 13. Operators reduced the unit to 19 percent by November 19.

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

<http://www.reuters.com/article/2012/11/13/utilities-operations-constellation-ninem-idUSL3E8MD5DP20121113?type=companyNews&feedType=RSS&feedName=companyNews&rpc=43>

Update: CDWR's 933 MW Hyatt-Thermalito Hydro Unit in California Returns to Service by November 13

The unit returned from a curtailment of 594 MW that began November 7 and was due to planned and unplanned causes.

<http://content.aiso.com/unitstatus/data/unitstatus201211131515.html>

El Paso Electric and Element Power Sign Power Purchase Agreement for 50 MW Macho Springs Solar Project in New Mexico

El Paso Electric and Element Power on Tuesday announced the execution of a power purchase agreement for the total output from Element Power's 50 MW Macho Springs Solar Project, a solar photovoltaic power plant located near Deming, New Mexico. The purchase power agreement is subject to approval by the New Mexico Public Regulation Commission. The project is expected to start construction in 2013 and be completed in 2014.

<http://www.epelectric.com/about-el-paso-electric/article/el-paso-electric-and-element-power-sign-power-purchase-agreement-for-50-mwac-macho-springs-solar-project>

Petroleum

Unspecified Process Upset Leads to Flaring, Butylene Release at Shell's 329,800 b/d Deer Park, Texas Refinery November 14

Shell Oil Co reported an unspecified process unit upset at its Deer Park refinery led to flaring and a release of butylene on Monday morning, according to a filing with the U.S. National Response Center. The refinery reported also that smoke coming from the flare stack was due to a steam malfunction. Operators secured the release by adjusting the steam rate, the filing said.

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1030529

Equipment Malfunctions Cause Flaring at Motiva's 236,400 b/d Norco, Louisiana Refinery November 9 and 13

Motiva Enterprises reported a release of a small amount of gas from two block valve packings at its Norco refinery on November 9 was due to an unspecified equipment failure, according to a filing with the U.S. National Response Center (NRC). Operators isolated the piping and were depressurizing the materials to the flare. In a separate NRC filing, the refinery reported a compressor trip on November 13 led to the release of hydrogen sulfide, isobutene, normal butane, propane, ethane, methane, and other volatile organic compounds from a flare stack. Operators were attempting to restart the compressor at the time of the filing.

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1030150

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1030485

Natural Gas

Amine System Malfunction Shuts AGI Compressor at Regency's 290 MMcf/d Waha Gas Plant in Texas November 13

Regency Energy Partners reported irregular/inadequate gas flow from the amine system due to an unspecified upset at its Waha plant caused the acid gas injector (AGI) compressor to shut down Tuesday morning, according to a filing with the Texas Commission on Environmental Quality.

<http://www11.tceq.state.tx.us/oce/eeer/index.cfm?fuseaction=main.getDetails&target=175997>

Southern Union Gas Services Reports Flaring at Its 140 MMcf/d Keystone Gas Plant in Texas November 9 and 11

Southern Union Gas Services reported it was flaring low-pressure gas from its Keystone plant November 9 after producers started wells and caused the system to pressure up, according to a filing with the Texas Commission on Environmental Quality (TCEQ). The plant reported flaring again on November 11 due to the shutdown of Unit 23, according to another TCEQ filing.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=175908>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=175913>

DCP Reports Flaring at Its 70 MMcf/d Fullerton Gas Plant in Texas November 10

DCP Midstream reported flaring at its Fullerton plant on November 10 was due to a combination of losing the West Plant turbine and high pressure on Seminole line, according to a filing with the Texas Commission on Environmental Quality.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=175910>

Enbridge Restarts AGI Units at Its Tilden Gas Plant in Texas November 11 after Unspecified Plant Shutdown

Enbridge reported it was restarting acid gas injector (AGI) Units 1 and 2 at its Tilden plant on November 11 following an unspecified plant shutdown, according to a filing with the Texas Commission on Environmental Quality.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=175930>

Other News

Nothing to report

International News

PDVSA Restarts FCCU at Its 335,000 b/d Isla Refinery in Curacao by November 12 after 4-Month Shutdown Due to Water and Power Problems – Union Leader

Curacao's Isla refinery on Monday was restarting a fluid catalytic cracking unit (FCCU) after a four-month shutdown caused by water and power problems, a union leader said. Several previous attempts to restart the unit have failed. Persistent problems at the refinery, which is operated by Venezuelan state oil company Petroleos de Venezuela SA (PDVSA), have forced it to cut its runs by about 50 percent this year.

Reuters, 10:11 November 12, 2012

Attack Shuts 110,000 b/d Maarib Crude Oil Pipeline in Yemen November 11

Unknown assailants blew up Yemen's Maarib crude oil pipeline in two places in the western region of Wadi Abidah Sunday night, damaging and shutting the pipeline, according to the state news agency and local government sources. The 270-mile long pipeline carries around 110,000 b/d of Maarib light crude to the Ras Isa export terminal on the Red Sea coast and is Yemen's main oil export pipeline.

<http://www.chicagotribune.com/news/sns-rt-us-yemen-oil-pipelinebre8ab080-20121112.0.1940748.story>

<http://gantdaily.com/2012/11/13/yemen-oil-pipeline-shuts-down-after-explosions/>

Energy Prices

U.S. Oil and Gas Prices November 14, 2012			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	86.42	84.66	97.74
NATURAL GAS Henry Hub \$/Million Btu	3.57	3.57	3.28

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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