



ENERGY ASSURANCE DAILY

Friday Evening, October 26, 2012

Electricity

Update: East Coast Utilities, Emergency Management Officials Continue Preparations for Hurricane Sandy

East Coast utilities and local governments are getting ready for severe weather forecast to hit the region this weekend, including high winds, heavy rain, extreme tides, and maybe snow to the west beginning early Sunday, peaking with the arrival of Hurricane Sandy on Tuesday, and lingering past Wednesday. Three weather systems are forecast to merge, including Hurricane Sandy, which continues on its northward track along the Eastern Seaboard, a wintry storm crossing the country from the west, and cold air streaming south from Canada. Power companies from the Southeast to New England are mobilizing their workforces and out-of-state mutual assistance crews to respond to expected power outages. FirstEnergy on Thursday said that its Jersey Central Power & Light, Penelec, Met-Ed, West Penn Power, and Potomac Edison utilities are preparing for the severe weather, and encouraged its customers to prepare for the possibility of power outages lasting up to 7–10 days. Similar press releases have been issued by the Public Service New Hampshire, Connecticut Light & Power, the Long Island Power Authority, Public Service Electric & Gas, Dominion Virginia Power, Baltimore Gas & Electric, PPL Electric Utilities, and Duke Energy's Progress Energy Florida and Progress Energy Carolina.

<http://www.psnh.com/2012-Press-Releases/Preparing-for-%E2%80%98Hurricane-Sandy%E2%80%99.aspx>

<http://www.pseg.com/info/media/newsreleases/2012/2012-10-25.jsp>

<http://www.lipower.org/newscenter/pr/2012/102512-storm.html>

<http://dom.mediaroom.com/2012-10-26-Dominion-Prepares-for-Hurricane-Sandy>

<http://www.bge.com/Article%20Documents/Hurricane%20Sandy%20Prep%20Release%2020-%2010.25.12.pdf>

<http://www.duke-energy.com/news/releases/2012102502.asp>

<http://nuwnotes1.nu.com/apps/mediarelease/clp-pr.nsf/0/83A54C6281734E4785257AA2005B5199?OpenDocument>

<https://www.firstenergycorp.com/firstenergy-utilities-prepare-for-hurricane-sandy--severe-weather.html>

<http://pplweb.mediaroom.com/index.php?s=12270&item=134861>

Update: Dominion's 917 MW North Anna Nuclear Unit 2 in Virginia Restarts, Ramps Up to Full Power by October 26

Dominion Virginia Power's North Anna Unit 2 on Friday returned from an outage that began October 24, when the reactor tripped automatically due to low steam generator water and turbine trip. Operators determined that a faulty electronic circuit card caused four valves to close, cutting the flow of steam in the turbine system and causing the reactor to shut automatically.

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

<http://bdtonline.com/vanews/x1200650098/Va-reactor-shutdown-due-to-circuit-card-failure>

<http://www2.timesdispatch.com/business/2012/oct/25/tdbiz01-electronic-circuit-card-failure-shuts-down-ar-2309714/>

Update: APS Reports It Shut the 1,247 MW Palo Verde Nuclear Unit 3 in Arizona October 25 to Repair a Steam Leak

APS reported it shut the Palo Verde 3 reactor in Arizona on Thursday to make unplanned repairs to a steam leak on a valve in the Unit 3 containment building, according to a spokesman.

<http://www.bloomberg.com/news/2012-10-25/pinnacle-shuts-palo-verde-3-reactor-for-unplanned-valve-repairs.html?cmpid=yhoo>

NRC Issues Two ‘White’ Safety Citations to Energy Northwest’s Columbia Nuclear Power Plant in Washington Regarding Emergency Preparedness Program

The U.S. Nuclear Regulatory Commission (NRC) has determined that two inspection findings regarding the emergency preparedness program at the Energy Northwest’s Columbia Generating Station in Washington are “white,” meaning they had low to moderate safety significance. The first involved the licensee’s failure to maintain a plan to appropriately characterize emergency action levels, and the second involved its failure to maintain adequate methods for assessing and monitoring actual or potential offsite radiation releases from the plant during emergencies. These conditions existed between 2000 and 2011, when they were identified and corrected by the licensee. The violations were evaluated by the NRC during an inspection conducted between October 18, 2011 and June 27, 2012. A violation is also being issued because the NRC identified these issues during its inspection but the licensee did not report them to the NRC in a timely manner, as required. The two white findings will result in a higher level of NRC scrutiny at the facility.

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

PSE&G’s 1,096 MW Salem Nuclear Unit 1 in New Jersey Reduced to 83 Percent by October 26

On the morning of October 25 the unit was operating at full power.

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

Update: Dynegy’s 510 MW Moss Landing Natural Gas-Fired Unit in California Returns to Service by October 25

The unit returned from an unplanned curtailment of 260 MW that began by October 24.

<http://content.caiso.com/unitstatus/data/unitstatus201210251515.html>

Constellation’s 118 MW Ace Cogeneration Coal-Fired Unit in California Shut by October 25

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201210251515.html>

Petroleum

Update: BP Plugs Cofferdam as Likely Source of Gulf of Mexico Oil Sheen

BP Plc on Thursday reported it has capped and plugged an abandoned cofferdam that is thought to be the source of a recently spotted surface sheen near the Mississippi Canyon 252 lease block in the Gulf of Mexico. The cofferdam is an 86-ton, steel container that was lowered over a leaking drill pipe during the Deepwater Horizon response in 2010 in an attempt to capture the oil and funnel it to the surface. It now sits on the sea floor roughly 1,500 feet away from the Macondo well. Initial visual inspections of the cap and plugs have observed no oil droplets emanating from any of the openings. BP will now monitor the sheen by satellite for several days to confirm that the cap and plugs are secure.

<http://www.bp.com/genericarticle.do?categoryId=2012968&contentId=7079430>

Natural Gas

NiSource Announces 310 MMcf/d East Side Expansion to Columbia Natural Gas Transmission System to Ship Marcellus Shale Gas to East Coast, Mid-Atlantic Markets

NiSource Gas Transmission & Storage (NGT&S), a unit of NiSource Inc., today announced plans to move forward with its proposed East Side Expansion project, which involves the construction of additional capacity on the company’s Columbia Gas Transmission system to help meet increasing demand and transport Marcellus Shale gas produced in northern Pennsylvania to markets along the East Coast and in the mid-Atlantic region. The project, which is supported by binding precedent agreements, will provide up to 310 MMcf/d of additional system capacity. The project calls for constructing additional pipeline capacity along an existing pipeline system, adding compression to an existing compressor station, and enhancing interconnects with Millennium Pipeline at Columbia’s Wagoner metering station and with Tennessee Gas Pipeline at Milford compressor station. Pending regulatory approval, construction on the expansion is expected to begin in early 2015 to meet a targeted in-service date in late 2015.

http://www.ngts.com/en/about-us/news-room/news-display/12-10-26/Columbia_Gas_Transmission_Moving_Forward_With_East_Side_Expansion_Project.aspx

Southern Union Reports Flaring at Its 140 MMcf/d Keystone Gas Plant in Texas October 25

Southern Union Gas Services reported it was flaring inlet gas at its Keystone plant Thursday after its Cat No. 23 unit went down on high third-stage scrubber level, 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=175301>

Other News

Southwest Georgia Ethanol LLC Indefinitely Halts Production at Its 100 MMGal/Year Ethanol Plant in Georgia Due to Poor Margins

Southwest Georgia Ethanol LLC on Wednesday announced it has temporarily halted production at its ethanol plant near Camilla, Georgia because high corn prices in the Midwest were crushing its margins. Lower crop yields stemming from lengthy drought conditions in the Midwest are prompting the increased prices, the company said. Operators will resume production “when markets return to levels conducive to profits.”

<http://www.sfgate.com/business/energy/article/Georgia-ethanol-plant-temporarily-halts-production-3984188.php>

<http://www.bizjournals.com/atlanta/news/2012/10/24/midwest-drought-idles-georgia-ethanol.html>

Update: BP Cancels Plans to Build a 36 MMGal/Year Cellulosic Ethanol Plant in Florida, Cites Poor Economics

BP Plc on Thursday announced it has cancelled plans to build a commercial-scale cellulosic ethanol plant in Highlands County, Florida, saying it believed it was in the best interest of the company’s shareholders to redeploy the considerable capital needed to build the facility into more attractive projects. BP originally announced plans to build the 36 million gallon per year facility in 2008.

<http://www.bp.com/genericarticle.do?categoryId=2012968&contentId=7079431>

International News

Substation Fire Cuts Power to 53 Million People in Northeastern Brazil October 25; Recent Series of Power Outages in Brazil Raises Questions about Infrastructure Reliability

<http://af.reuters.com/article/commoditiesNews/idAFL1E8LQ1Z120121026>

<http://www.reuters.com/article/2012/10/26/brazil-blackout-idUSL1E8LQ1Z120121026>

Energy Prices

U.S. Oil and Gas Prices			
October 26, 2012			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	85.99	91.58	91.45
NATURAL GAS Henry Hub \$/Million Btu	3.38	3.31	3.62

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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