



# ENERGY ASSURANCE DAILY

Friday Evening, January 04, 2013

## Electricity

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### **JCP&L Announces New Practices to Provide Additional Information During Storms; Enhancements Based on Feedback after Hurricane Sandy**

Jersey Central Power & Light (JCP&L) on Thursday announced a series of new operational practices that will provide additional information to municipal officials about power outage restoration efforts during significant storm events. These enhancements, which are based on feedback from customers and municipal officials following Hurricane Sandy, are designed to provide more outreach and collaboration to elected officials and customers about the company's restoration process and priorities on a community by community basis. The company made the announcement at meetings Thursday with members of the League of Municipalities, the New Jersey Board of Public Utilities, and the New Jersey State Police. These were the latest in a series of meetings JCP&L has participated in with customers, regulators, and elected officials to receive feedback concerning restoration efforts following Hurricane Sandy.

[https://www.firstenergycorp.com/content/fecorp/newsroom/news\\_releases/jersey-central-power---light-announces-new-practices-designed-to.html](https://www.firstenergycorp.com/content/fecorp/newsroom/news_releases/jersey-central-power---light-announces-new-practices-designed-to.html)

### **Pennsylvania PUC to Hold Special Electric Reliability Forum on Hurricane Sandy Preparation, Response**

The Pennsylvania Public Utility Commission (PUC) will hold a Special Electric Reliability Forum on January 10 to hear from the state's electric utilities that were affected by Hurricane Sandy. The special forum will examine utilities' pre-planning measures as the storm approached the East Coast, as well as their communications with customers and efforts to restore service during and after the storm. The utilities will address preparation, pre-planning, and pre-staging of personnel, materials, and equipment; outreach to contractors and other utilities; customer communications and outreach; best practices implemented following storms in 2011; and lessons learned.

[http://www.puc.state.pa.us/about\\_puc/press\\_releases.aspx?ShowPR=3095](http://www.puc.state.pa.us/about_puc/press_releases.aspx?ShowPR=3095)

### **New York Governor Cuomo to Include Recommendations from Disaster Preparedness and Response Commission in State of the State Address Next Week**

<http://www.northcountrypublicradio.org/news/story/21190/20130104/storm-preparedness-on-cuomo-s-sos-list>

### **TVA Reports Potential 'Substantial Safety Hazard' Related to Equipment Installed at Its Watts Bar Nuclear Unit 2 under Construction in Tennessee**

The Tennessee Valley Authority (TVA) reported operators overseeing construction on Watts Bar nuclear Unit 2 have determined that certain equipment components have been installed that may not meet the requirements of the commercial grade dedication process, according to a filing with the U.S. Nuclear Regulatory Commission. This condition could have created a substantial safety hazard had it remained uncorrected, the filing said. Operators are evaluating to determine if the installed equipment would have still performed its safety functions. No specific cases of a substantial safety hazard have been found to date, but until evaluations are completed, the safety significance of this condition remains indeterminate.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2013/20130104en.html>

## **DOE to Prepare Environmental Review of Clean Line Energy Partners' 3,500 MW Transmission Line Project in Oklahoma and Arkansas**

The U.S. Department of Energy (DOE) on December 21 published a Notice of Intent in the Federal Register to prepare an Environmental Impact Statement for Clean Line Energy Partners' proposed Plains & Eastern Clean Line Transmission Project. The proposed project would include an approximately 700-mile overhead high voltage direct current transmission line and associated facilities. It would have the capacity to deliver approximately 3,500 MW primarily from renewable energy generation facilities in the Oklahoma Panhandle region to load-serving entities in the Mid-South and the Southeast via an interconnection with the Tennessee Valley Authority. The proposed project would traverse Oklahoma and Arkansas and deliver power to western Tennessee. The project is currently expected to achieve commercial operation in 2017, pending regulatory approval.

<http://www.reuters.com/article/2013/01/04/column-kemp-us-electricity-idUSL5E9C45YU20130104>

[http://www.cleanlineenergy.com/sites/cleanline/Plains\\_Eastern\\_Clean\\_Line\\_DOE\\_NOI\\_FINAL\\_12\\_18\\_12.pdf](http://www.cleanlineenergy.com/sites/cleanline/Plains_Eastern_Clean_Line_DOE_NOI_FINAL_12_18_12.pdf)

<http://energy.gov/nepa/eis-0486-plains-eastern-clean-line-transmission-project>

## **BOEM Seeks Competitive Interest, Comments on NYPA's Proposed 350 MW Wind Energy Project Offshore New York**

The U.S. Bureau of Ocean Energy Management (BOEM) on Thursday issued a request to determine whether there is competitive interest in leasing an area offshore New York that the New York Power Authority (NYPA) has proposed for developing offshore wind energy. The proposed project is designed to generate at least 350 MW of electricity from offshore wind resources for the Long Island and New York City region, with the ability to expand generation capacity to as much as 700 MW. BOEM is also seeking public comment on the proposal, its potential environmental consequences, and the use of the area in which the proposed project would be located.

<http://www.boem.gov/Renewable-Energy-Program/State-Activities/New-York.aspx>

<http://www.boem.gov/BOEM-Newsroom/Press-Releases/2013/press01032013.aspx>

## **Calpine's 561 MW Los Medanos Aggregate Natural Gas-Fired Unit in California Reduced by January 3**

The unit entered an unplanned curtailment of 371 MW.

<http://content.caiso.com/unitstatus/data/unitstatus201301031515.html>

## **AES's 175 MW Alamitos Natural Gas-Fired Unit 1 Gas-fired Unit in California Shut by January 3**

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201301031515.html>

## **Luz Solar Partners' 175 MW Aggregate Solar Units 3-7 in California Shut by January 3**

The units entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201301031515.html>

## **Update: Constellation's 118 MW Ace Cogeneration Coal-Fired Unit in California Returns to Service by January 3**

The unit returned from an unplanned outage that began by January 2.

<http://content.caiso.com/unitstatus/data/unitstatus201301031515.html>

## ***Petroleum***

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### **Enbridge Announces Additional 230,000 b/d Expansion of Its Canadian Crude Mainline from Alberta to U.S. Border and Lakehead Crude System from North Dakota to Wisconsin**

Enbridge today announced further expansion of the Canadian Mainline System between Hardisty, Alberta and the U.S. border at Gretna, Manitoba, and of the Lakehead System between Neche, North Dakota and Superior, Wisconsin. The expansions will add an additional 230,000 b/d of capacity and involve increased pumping horsepower, with no line pipe construction. The expansions are both expected to be in service in 2015, pending regulatory approvals. The Canadian Mainline System is held by Enbridge Inc., and the Lakehead System is held by Enbridge Energy Partners.

<http://www.enbridge.com/MediaCentre/News.aspx?yearTab=en2013&id=1710967>

<http://www.enbridgepartners.com/Media-Center/News/2013/1771194/>

### **Update: Shell Recovery Team Says Kulluk Drillship Grounded in Alaska Is Stable Despite Damaged Generators, Upper Deck**

Royal Dutch Shell PLC reported calmer weather conditions Thursday had allowed a recovery team to board the grounded *Kulluk* drillship for a second time to continue an evaluation of its condition. The drillship grounded on the southeast shoreline of Sitkalidak Island, Alaska on December 31, while under tow in heavy seas from Alaska to the U.S. port of Seattle, Washington State. The recovery team confirmed the *Kulluk* is firmly aground and stable, and said there has been no leakage of the low-sulphur diesel fuel or hydraulic fluid stored onboard the vessel. Separately, a Shell incident commander on Thursday reported the ship sustained damage to its generators and its upper deck, which means salvagers may have to bring external generators on board or work without power. He said it was too early to tell when the vessel could be moved.

<http://www.shell.us/aboutshell/projects-locations/alaska/kulluk-response.html>

<http://finance.yahoo.com/news/shell-drilling-barge-suffered-damage-004412215.html>

### **U.S. House Sustainable Energy and Environment Coalition Calls for Federal Scrutiny of Shell Drilling Operations in Arctic after Drillship Grounds in Alaska**

<http://seec-israel.house.gov/press-release/statement-arctic-oil-rig-accident>

<http://finance.yahoo.com/news/congress-members-want-shell-barge-215403245.html>

### **Update: Motiva Begins Restart of 325,000 b/d CDU at Its 600,000 b/d Port Arthur, Texas Refinery by January 4 – Traders**

Motiva Enterprises began restarting a new 325,000 b/d crude distillation unit (CDU) at its Port Arthur refinery again this week, according to traders doing business with the refinery. Operators reported last month that the refinery would operate the CDU on partial circulation beginning December 18 to repair a “minor leak.” Operators began attempts to restart the unit in December after it was shut in June to repair extensive damage caused by a caustic leak.

<http://www.nasdaq.com/article/crude-oil-unit-in-restart-at-motiva-port-arthur-texas-refinery-20130103-01168>

### **Update: ExxonMobil to Proceed with Hebron Oilfield Project off Canada’s East Coast**

ExxonMobil Corporation announced today it will develop the Hebron oilfield offshore the Canadian province of Newfoundland and Labrador using a gravity-based structure that will recover more than 700 million barrels of oil, an increase from earlier estimates. The project is expected to begin oil production around the end of 2017, and is designed to produce 150,000 b/d of oil. The project received regulatory approval from the governments of Canada and Newfoundland and Labrador in May 2011, and construction is currently underway.

<http://news.exxonmobil.com/press-release/exxonmobil-announces-hebron-oil-project-proceed-canadas-east-coast>

### **Update: Transocean to Pay \$1.4 Billion Settlement for Deepwater Horizon Rig Explosion in U.S. Gulf of Mexico 2010 – U.S. Justice Department**

[http://money.cnn.com/2013/01/03/news/companies/transocean-oil-spill/index.html?source=yahoo\\_quote](http://money.cnn.com/2013/01/03/news/companies/transocean-oil-spill/index.html?source=yahoo_quote)

<http://www.hydrocarbonprocessing.com/Article/3136821/Latest-News/Transocean-pays-14bn-to-settle-US-Gulf-oil-spill.html>

## ***Natural Gas***

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### **Update: Tennessee Gas Pipeline Co. Places 250 MMcf/d Northeast Supply Diversification Project into Service to Transport Marcellus Shale Production to New York, New England**

Tennessee Gas Pipeline Company’s recent expansion of its 300 Line system has turned the former import point at Niagara, New York into a net exporter of U.S. natural gas to Canada, creating renewed price volatility in a region where Marcellus Shale gas has dramatically reduced the need for Canadian imports. Tennessee Gas’s Northeast Supply Diversification Project was placed into service on November 1, adding 250MMcf/d of incremental firm transportation capacity on the pipeline’s 300 Line system, which moves product from the developing Marcellus Shale region to markets in New England and the Niagara area. Tennessee executed binding, 15-year term agreements with Cabot Oil & Gas Corporation, Anadarko Energy Services Company, and Seneca Resources Corporation for up to 250 MMcf/d of incremental firm transportation capacity.

[http://www.kindermorgan.com/business/gas\\_pipelines/east/TGP/NSD/](http://www.kindermorgan.com/business/gas_pipelines/east/TGP/NSD/)

<http://www.platts.com/RSSFeedDetailedNews/RSSFeed/NaturalGas/6983213>

## Operators Shut 140 MMcf/d Keystone Gas Plant in Texas Due to Failed Block Valve on Inlet Scrubber to Plant January 3

Southern Union Gas Services reported it was flaring low-pressure gas at its Keystone plant Thursday because operators had to shut the plant due to a failed block valve on the inlet scrubber to the plant, according to a filing with the Texas Commission on Environmental Quality. The event was ongoing at the time of the filing.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=177659>

## Other News

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### Update: Mississippi River Expected to Remain Navigable as Army Corps Makes Progress Removing Underwater Rocks

The U.S. Army Corps of Engineers reported water levels on the drought-depleted Mississippi River will remain safe for barge traffic at least through January 10, as the agency makes progress in removing submerged rocks crowding the riverbed south of St. Louis. The National Weather Service on January 2 forecast that the waterway near St. Louis may drop to 9 feet, the minimum depth the Corps tries to maintain to keep barge traffic flowing, by January 9. A Corps spokesman said expedited work to remove obstacles at Thebes, in southern Illinois, will add an additional two feet of depth to the channel by January 11. The agency does not foresee the necessity to close the river, the spokesman said. The Corps in late November agreed to speed up the removal of underwater rocks threatening navigation after groups representing the U.S. barge industry warned that reduced flows from the Missouri River combined with underwater rocks crowding the Mississippi riverbed could make the waterway too shallow for vessels to safely travel. Closing the river could threaten as much as \$2.8 billion in cargo, including grain, coal, and crude oil that is expected to move along the Mississippi in January, according to one industry group.

<http://www.bloomberg.com/news/2013-01-04/mississippi-seen-navigable-through-jan-26-after-rock-removal.html?cmpid=yhoo>

## International News

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Nothing to report

## Energy Prices

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U.S. Oil and Gas Prices			
January 4, 2013			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b>			
<b>West Texas Intermediate U.S.</b> \$/Barrel	92.54	90.61	102.65
<b>NATURAL GAS</b>			
<b>Henry Hub</b> \$/Million Btu	3.19	3.31	2.97

Source: Reuters

## 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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