



ENERGY ASSURANCE DAILY

Tuesday Evening, January 29, 2013

Electricity

Update: Entergy's 1,207 MW Grand Gulf Nuclear Unit 1 in Mississippi Restarts, Ramps Up to 21 Percent by January 29

Grand Gulf 1 is returning from an outage that began January 14, when the reactor scrambled at full power due to what appeared to be a turbine/generator trip. The incident was the third Unit 1 turbine/generator trip Entergy has reported in less than three weeks. Outages that began December 29 and January 4 were due to the same cause.

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

Update: NRC Launches Inspections to Examine Restart Checklist, Evaluate Cooling Water Pump Issue at OPPD's 478 MW For Calhoun Nuclear Power Plant in Nebraska

The U.S. Nuclear Regulatory Commission (NRC) Monday launched a series of inspections at Omaha Public Power District's (OPPD) Fort Calhoun nuclear plant to examine the plant's restart checklist and evaluate an issue involving four main water pumps incorrectly anchored using shorter bolts than required. The plant initially shut down in April 2011 for a scheduled refueling and maintenance outage, but flooding along the Missouri River that year and a series of safety violations discovered during subsequent NRC inspections have forced it to remain shut.

<http://pbadupws.nrc.gov/docs/ML1302/ML13028A210.pdf>

Update: FirstEnergy's 1,235 MW Perry Nuclear Unit 1 in Ohio Ramped Up to 71 Percent by January 29

Perry 1 is returning from an outage that began January 22, when an automatic Reactor Protection System actuation occurred due to a low reactor water level signal after a blown fuse in the nearby turbine building cut power to feed-water pumps. Cold temperatures due to a draft in an area of the turbine building where the circuit box is located caused the fuse to blow. Operators installed electric heaters in the area and are working to determine whether a more permanent solution is necessary.

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

http://www.cleveland.com/business/index.ssf/2013/01/firstenergys_perry_nuclear_pow_1.html

Update: Exelon's 855 MW Quad Cities Nuclear Unit 2 in Illinois at Full Power by January 29

Operators reduced Quad Cities Unit 2 from full power January 25 to 78 percent by January 26, shut the unit by January 27, and restarted it again by January 28. Exelon Corp. has not publicly reported the reason for the shutdown.

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

Update: BLM Delays Decision on Proposed High-Voltage, Wyoming-to-Idaho Gateway West Transmission Project

The U.S. Bureau of Land Management (BLM) has delayed a decision on routes for the Gateway West power line across southern Idaho. Rocky Mountain Power and Idaho Power have proposed to build and operate approximately 1,000 miles of new high-voltage transmission lines between the Windstar substation near Glenrock, Wyoming and the Hemingway substation near Melba, Idaho. The project would include approximately 200 miles of 230-kV lines in Wyoming and approximately 800 miles of 500-kV lines in Wyoming and Idaho. BLM had dismissed two routes across the Morley Nelson Snake River Birds of Prey area that had been negotiated by the involved parties, and instead chose a route through private land through Kuna and Melba that has been opposed by residents and local and state officials. BLM had planned to release a final environmental impact statement on January 25, but instead announced it would delay a decision while it works to determine a route that satisfies all the parties involved.

<http://www.gatewaywestproject.com/>

http://voices.idahostatesman.com/2013/01/25/blm_delays_decision_gateway_west_power_line

GE Launches Industrial Internet Solution to Help Utilities Predict and Prevent Electrical Grid Outages

Grid IQ™ Insight, a new power management system from GE Digital Energy's Industrial Internet portfolio, is a platform that consolidates data from a broad mix of sources including existing grid management systems, smart meters, and other intelligent grid power equipment, sensors, weather monitoring, and even unstructured social media content from sources like Facebook or Twitter. Grid IQ Insight takes the terabytes of data and using advanced analytics technologies, generates actionable information to predict and resolve failures and other issues that impact the performance of today's power grids.

<http://www.gedigitalenergy.com/press/GridIQInsight/pressrelease.htm>

Petroleum

Update: Mississippi River Remains Shut to Shipping on Section near Vicksburg, Mississippi as Crude Oil Continues to Leak at Site of Barge Collision January 29

The U.S. Coast Guard on Monday reported that it was continuing to respond to a crude oil spill in the lower Mississippi River near mile marker 434 in Vicksburg, Mississippi, where two tank barges towed by the tug *Nature's Way Endeavor* on Sunday had collided with the Vicksburg Railroad river bridge. A tank carrying approximately 80,000 gallons of light crude oil was damaged by the collision, resulting in the spill. The Coast Guard on Monday reported that tank soundings indicated that the barge was still leaking product into the waterway. Officials had deployed containment boom around the area at the leak and were using skimmers to recover product. The actual size of the spill has yet to be determined. The Mississippi River remained closed Tuesday to all traffic from mile marker 425 to mile marker 441 near Vicksburg, and at least 47 barges and other vessels were idled by the shutdown, according to media reports quoting a Coast Guard spokesman. Authorities were not yet speculating when that section of the river would reopen to vessel transit.

<http://www.uscgnews.com/go/doc/4007/1689811/UPDATE-Coast-Guard-responds-to-report-of-crude-oil-in-Mississippi-River>

<http://www.usatoday.com/story/news/nation/2013/01/29/mississippi-river-barge-accident/1873467/>

Valero to Shut FCCU and Alkylation Unit to Repair Depropanizer at Its 135,000 b/d Wilmington, California Refinery February 4 – Source

Valero Energy Corp. plans to shut the fluid catalytic cracking unit (FCCU) and the alkylation unit at its Wilmington refinery for repairs on a depropanizer beginning February 4, according to a person familiar with the plans. The equipment is scheduled to restart February 16.

<http://www.bloomberg.com/news/2013-01-28/los-angeles-gasoline-strengthens-after-bp-refinery-loses-power.html>

Update: BP Restarts SRU, Other Units Affected by Last Weekend's Brief Power Outage at Its 265,000 b/d Carson, California Refinery by January 29 – Sources

BP Plc restarted units affected by a Saturday power outage at its Carson refinery, according to sources familiar with refinery operations. The sources did not know at what capacity the units, including a sulfur recovery unit (SRU), were operating. A BP spokesman declined to discuss operations at the Carson refinery.

Reuters, 14:26 January 28, 2013

Flare Gas Recovery Compressor Upset Causes Hydrogen Sulfide Emissions at Marathon's 102,000 b/d Detroit, Michigan Refinery January 28

Marathon Petroleum Corp. reported hydrogen sulfide emissions at its Detroit refinery Monday night were due to a flare gas compressor upset, according to a filing with the U.S. National Response Center. Operators were isolating an unspecified unit, but had not yet secured the release at the time of the filing.

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1036886

Valero Replaced All Imported Light Foreign Crudes with Cheaper Domestic Crudes at Its Gulf Coast and Memphis, Tennessee Refineries in Fourth Quarter 2012

Valero Energy Corp. on Tuesday reported it had in the fourth quarter of 2012 replaced all imported light foreign crude oils with cheaper domestic crudes at its Gulf Coast refineries and its refinery in Memphis, Tennessee, and that it was pursuing options to process additional volumes of these cost-advantaged crudes throughout its refining system.

<http://phx.corporate-ir.net/phoenix.zhtml?c=100647&p=irol-newsArticle&ID=1778811>

Enbridge Launches Open Season for 50,000 b/d of Capacity on Its 180,000 b/d Southern Lights Diluent Pipeline from Chicago to Edmonton, Alberta

Enbridge today announced a binding open season to solicit commitments from shippers for 50,000 b/d of capacity on the Southern Lights diluent pipeline. The pipeline, which is in commercial operation, provides continuous pipeline capacity for the transportation of diluent from Chicago, Illinois to Edmonton, Alberta, and has an average annual capacity of 180,000 b/d. The Southern Lights pipeline is owned and operated by Southern Lights LP and Enbridge Pipelines LLC. Potential shippers will have a choice of five available commencement dates between July 1, 2013 and July 1, 2014.

<http://www.enbridge.com/MediaCentre/News.aspx?yearTab=en2013&id=1720167>

Natural Gas

AltaGas and Idemitsu Kosan Co. Form Partnership to Pursue Opportunities to Export LNG and LPG from Canada to Asia

AltaGas Ltd. and Idemitsu Kosan Co., Ltd. today announced that the companies have signed an agreement to form the AltaGas Idemitsu Joint Venture Limited Partnership to pursue opportunities involving exports of liquefied natural gas (LNG) and liquefied petroleum gas (LPG) from Canada to Asia. The Partnership will undertake a feasibility study for the development and construction of natural gas liquefaction facilities; it hopes to complete the study by early 2014. The pipeline capacity required to transport natural gas to the liquefaction facility is expected to be provided by AltaGas' wholly owned subsidiary Pacific Northern Gas Ltd. The Partnership also plans to pursue opportunities to develop an LPG export business, including logistics, plant refrigeration, and storage facilities. A feasibility study for these projects is expected to be completed in 2013. Subject to consultations with First Nations, and the completion of the feasibility studies, permitting, regulatory approvals, and facilities construction, the Partnership could begin LNG exports as early as 2017, and LPG exports as early as 2016.

<http://altagas.mwnewsroom.com/press-releases/altagas-ltd-and-idemitsu-kosan-co-ltd-form-par-tsx-ala-201301290849648001>

Update: Canada Regulatory Board Reports Electrical Fire on Encana's Deep Panuke Natural Gas Platform Offshore Nova Scotia

The Canada-Nova Scotia Offshore Petroleum Board on Monday issued a press release in response to inquiries about a small fire that occurred within an electrical cabinet in the Emergency Switchboard Room (ESR) on Encana Corp.'s Deep Panuke Platform on January 19. The Deep Panuke Platform, which will produce 300 MMcf/d of natural gas when production is initiated sometime in the first half of 2013, is still under final construction and commissioning. When the fire occurred, a fire team aboard the platform responded, de-energizing the electrical cabinet and ESR and extinguishing the fire. As a precaution, Encana transported non-essential construction personnel from the platform to shore during the investigation and while repairs were made. The Board confirmed that necessary electrical repairs have been completed, and that the fire suppression system onboard has been tested and put back into service. The Board has approved Encana to re-deploy construction personnel to the platform to resume construction activities.

<http://www.cnsopb.ns.ca/news/deep-panuke-incident-update>

Update: Pennsylvania PUC Fines UGI Utilities over Fatal 2011 Natural Gas Pipeline Explosion in Allentown; Requires Replacement of Cast Iron Pipelines

The Pennsylvania Public Utility Commission (PUC) on Thursday unanimously voted to approve modifications to a settlement with UGI Corp. that fines the company \$500,000 for a 2011 natural gas explosion that killed five people in Allentown. The settlement also requires the company to replace all its cast iron pipelines within 14 years and to expand and enhance its testing and monitoring programs. UGI said it was reviewing the commission's order and that it had accelerated the replacement of gas pipelines made of cast iron and bare steel with new lines made of high-density plastic and coated steel.

<http://www.timesleader.com/stories/Pa-fines-utility-500K-over-blast-that-killed-5,256847>

Regency Reports Partial Plant Shutdown after Demolition Contractors Cause AGI Compressor to Shut at Its 290 MMcf/d Waha Gas Plant in Texas January 28

Regency Energy Partners reported a partial plant emergency shutdown at its Waha plant Monday afternoon after demolition contractors inadvertently caused an acid gas injector (AGI) compressor to shut down, 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=178621>

Other News

Update: Valero Idles 3 Ethanol Plants in Fourth Quarter, Operates Others at Reduced Rates Due to Poor Economics

Valero Energy Corp. on Tuesday reported it had temporarily idled 3 of its 10 ethanol plants in the fourth quarter of 2012, and reduced rates at others, due to poor margins caused by high corn prices and high industry ethanol inventories attributable to lower ethanol and gasoline demand, according to an earnings statement. The report does not indicate which ethanol plants were idled or reduced, but the company in late October said it had idled production at its plants in Albion, Nebraska and Linden, Indiana, which each have a capacity of 110 MMGal/Year, and that it was reducing rates at three other facilities, without specifying which plants. In late June the company reported it had shut its 100 MMGal/Year Fort Dodge, Iowa ethanol plant for a planned overhaul. It's unclear, however, whether that plant has since reopened.

<http://phx.corporate-ir.net/phoenix.zhtml?c=100647&p=irol-newsArticle&ID=1778811>

<http://www.businessweek.com/news/2012-10-30/valero-idles-nebraska-indiana-ethanol-plants-on-poor-margins>

<http://www.reuters.com/article/2012/06/27/ethanol-valero-linden-idUSL2E8HR9PF20120627>

Update: Closing Date Delayed on CNOOC's Takeover of Nexen as Parties Await U.S. Decision on Oil & Gas Reserves in the U.S. Gulf of Mexico

Nexen Inc. on Sunday announced that CNOOC Limited and Nexen Inc. have mutually agreed to extend the closing date of CNOOC's \$15.1 billion takeover of Nexen by 30 days to March 2, 2013, as completion of the agreement remains subject to the receipt of United States regulatory approval and the satisfaction or waiver of other customary closing conditions. Acquiring Nexen would allow CNOOC to secure oil and gas reserves in western Canada, the U.S. Gulf of Mexico, offshore Nigeria, and the U.K. North Sea. Regulatory approvals have been received from Canada, the United Kingdom, the European Union, and the People's Republic of China.

http://www.nexeninc.com/en/AboutUs/MediaCentre/NewsReleases/News/Release.aspx?year=2013&release_id=135180

International News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices			
January 29, 2013			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	97.69	96.16	99.60
\$/Barrel			
NATURAL GAS			
Henry Hub	3.25	3.54	2.68
\$/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 & 1:00 PM ET every Wednesday.

Natural Gas Weekly Update from EIA

<http://www.eia.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM ET every Thursday.

ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/ead.aspx>

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