



ENERGY ASSURANCE DAILY

Tuesday Evening, January 31, 2012

Electricity

Update: Switchyard Equipment Failure May Have Shut Exelon's 1,136 MW Byron Nuclear Unit 2 in Illinois January 30

U.S. Nuclear Regulatory Commission (NRC) inspectors are monitoring operations at Exelon Nuclear's Byron generating station, where Unit 2 shut yesterday morning due to the loss of offsite power. Exelon Nuclear officials believe a failed piece of equipment at a switchyard caused the shutdown but were still investigating an exact cause. Smoke was seen from an onsite station transformer, according to an NRC news release on Monday, but no evidence of fire was found upon inspection. The diesel generators are currently supplying power to plant equipment, and the plant's 1,164 MW Unit 1 remains at full power. Steam containing low levels of tritium, a radioactive form of hydrogen, is currently being released from the non-nuclear side of the plant to aid in the cooling process, but it does not present a threat to the public, according to NRC and Exelon officials.

http://www.washingtonpost.com/business/industries/reactor-shuts-down-releases-steam-at-illinois-nuclear-plant-after-losing-outside-power/2012/01/30/gIQALf13cQ_story.html?tid=pm_business_pop

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2012/20120131en.html>

<http://www.nrc.gov/reading-rm/doc-collections/news/2012/12-004.iii.pdf>

New Seismic Model, Study to Help U.S. Nuclear Facilities Reassess Seismic Hazards

The Electric Power Research Institute (EPRI), the U.S. Department of Energy (DOE), and the U.S. Nuclear Regulatory Commission (NRC) released a new seismic study today that will help U.S. nuclear facilities in the central and eastern United States reassess seismic hazards. The *Central and Eastern United States Seismic Source Characterization for Nuclear Facilities* (CEUS-SSC) model and report replaces previous seismic source models used by industry and government and is part of the agency's implementation of lessons learned from events at the Fukushima Daiichi nuclear power plant following the March 2011 earthquake and tsunami in Japan. The model can be used to calculate the likelihood of various levels of earthquake-caused ground motions.

<http://www.ceus-ssc.com>

<http://www.nrc.gov/reading-rm/doc-collections/news/2012/12-010.pdf>

NRC Concludes a Lack of Worker Training Caused Reactor Vessel Incident that Shut Progress Energy's 920 MW Brunswick Nuclear Unit 2 Last November

The U.S. Nuclear Regulatory Commission (NRC) issued its preliminary findings Wednesday regarding an incident that shut Progress Energy's Brunswick Unit 2 reactor last November, when mildly radioactive boiling water in the nuclear reactor vessel bubbled out of the chamber rather than boiling inside under pressure to form steam. At one point the water was flowing out at a rate of over 10 gallons a minute, about 100 times more volume than would flow out under normal circumstances. The NRC is continuing its investigation to determine the safety significance of the incident, but its preliminary conclusion is that the lid was improperly attached after a refueling outage because the maintenance workers were not trained in reactor vessel disassembly and reassembly.

<http://www.newsobserver.com/2012/01/27/1809719/nuke-plant-accident-due-to-poor.html>

NRC Confirms Corrective Actions Entergy Must Take at Its 813 MW FitzPatrick Nuclear Plant in New York to Address 2006–2009 Radiation Protection Program Violations

The U.S. Nuclear Regulatory Commission (NRC) late last week issued an order to Entergy Nuclear confirming actions the company is required to implement at the James A. FitzPatrick nuclear power plant to address multiple violations involving radiation protection technicians at the plant on multiple occasions from 2006 to 2009. The NRC identified the violations during three separate investigations conducted at the plant in 2009 and 2010, and it summarized the violations in a letter dated September 8, 2011. Entergy and the NRC worked with a neutral mediator to come to an agreement regarding enforcement action, which is to include company- and industry-wide corrective actions to detect and assess safety issues at the plant and improve procedural training and awareness of workers at the plant on nuclear safety issues.

<http://palltimes.com/articles/2012/01/26/news/doc4f21f7a5d4fc4680817663.txt>

<http://pbadupws.nrc.gov/docs/ML1202/ML120270073.pdf>

Entergy's 510 MW Vermont Yankee Nuclear Unit in Vermont Reduced to 20 Percent by January 31

On the morning of January 30 the unit was operating at full power.

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

Petroleum

Holly Energy Partners Reports Crude Oil Pipeline Leak in West Texas January 31

Holly Energy Partners L.P. (HEP) announced today it experienced a pipeline leak on its crude oil gathering system in the West Texas. This system gathers crude oil in the Permian Basin for transport to nearby refineries or Midland, Texas. A 6-inch crude pipeline sprung a leak at HEP's Wood Station pump facility, spilling approximately 1,100 barrels of crude oil. An additional volume of crude oil has been absorbed in the soil in the pump station area and an immediately adjacent property. HEP is finalizing a remediation plan and plans to commence remediation of the affected soil shortly.

<http://finance.yahoo.com/news/Holly-Energy-Partners-L-P-prnews-1805852089.html?x=0>

Update: Oil Companies Report on Negotiations with United Steelworkers Union as Contract Deadline Nears

As the deadline nears for contracts covering United Steelworkers (USW) union workers at 69 refineries, companies are reporting operational contingency plans should union workers declare a general strike. According to the latest reports, Exxon Mobil Corp. and Valero Energy Corp. received 24-hour notices from the United Steelworkers (USW) union of its intent to strike at refineries in Billings, Montana and Port Arthur, Texas, respectively, if a national labor contract expires tonight without an agreement. A Valero executive said the company will continue to operate its Port Arthur refinery in the event of a work stoppage, but it will close its Memphis refinery. USW negotiators and Royal Dutch Shell Plc have failed to reach agreement on a new three-year contract, reports said. Exxon's labor agreements with the USW also expire tonight at its refineries in Beaumont, Texas; Torrance, California; and Chalmette, Louisiana. LyondellBasell NV (LYB) will continue to run its Houston refinery if there's a strike, a spokesman said. BP Plc said in a statement that it would cut output at its Whiting, Indiana plant to "a level that maintains safe winter operations."

<http://www.bloomberg.com/news/2012-01-31/exxon-says-steelworkers-union-may-strike-billings-refinery.html?cmpid=yhoo>

Update: FCCU at ConocoPhillips' 238,000 b/d Linden, New Jersey Refinery Running at Reduced Rates January 30

Trade sources said Monday that ConocoPhillips' 145,000 b/d gasoline-making fluid catalytic cracking unit (FCCU) at its Bayway refinery in Linden, New Jersey has not returned to full service. ConocoPhillips shut the unit Friday to fix a mechanical problem. Reports Sunday indicated the FCCU had returned to service. A company spokesman was not immediately available for comment.

Reuters, 09:07 January 30, 2012

Natural Gas

Nothing to report

Other News

Nothing to report

International News

BP Shuts-In 43,000 b/d Foinaven Deepwater Oil Field in U.K. North Sea after Discovering Pipeline Leak January 29

BP Plc has shut-in an oil and gas field in the U.K. North Sea after discovering a hairline crack in an underwater connecting pipeline, the company said Monday. BP confirmed that a small leak caused by a hairline fracture to a fitting on an infield flowline was identified Sunday afternoon. The field, which averages 43,000 b/d of production, will remain shut as BP works to investigate the cause of the incident. A spokesman said it was too early to determine when production would likely resume, but it will likely be a matter of weeks rather than months.

http://www.rigzone.com/news/article.asp?a_id=114688

Petroleos Mexicanos Reopens Dos Bocas Oil Export Port on Better Weather Late Monday

Petroleos Mexicanos reopened the crude-export port of Dos Bocas in the Gulf of Mexico Monday afternoon after the weather improved, Mexico's Merchant Marine said in a weather bulletin on its website.

<http://www.bloomberg.com/news/2012-01-30/pemex-reopens-dos-bocas-oil-export-port-on-better-weather-1-.html>

Energy Prices

U.S. Oil and Gas Prices			
January 31, 2012			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	98.37	98.75	90.99
NATURAL GAS Henry Hub \$/Million Btu	2.73	2.39	4.42

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 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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