



ENERGY ASSURANCE DAILY

Friday Evening, February 08, 2013

Electricity

Update: Nor'easter Gathering Strength along Atlantic Coast Expected to Hit U.S. Northeast with Blizzard Conditions February 8

A developing nor'easter moved up the Atlantic coast Friday, the start of what is forecast to become a major winter storm with blizzard conditions that will significantly impact the U.S. Northeast tonight before tapering off Saturday. For details on the impact of this storm on customer outages, energy infrastructure issues, and restoration efforts, see: Emergency Situation Reports issued by the U.S. Department of Energy, Office of Electricity Delivery & Energy Reliability (OE/ISER) at the following URL:

http://www.oe.netl.doe.gov/emergency_sit_rpt.aspx

More Than 50,000 Pepco Customers in Maryland and the District Lose Power after a Tree Falls on Transmission Line February 8

More than 50,000 Pepco customers lost power Friday afternoon in central Prince George's County and parts of the District after a large tree fell on a transmission line, affecting four substations, according to a spokesman. The utility said it hoped to restore power to most of its affected customers by 2:00 p.m. EST, but as of 2:45 p.m., the utility's outage map indicated 24,533 customers remained without power.

<http://hyattsville.patch.com/articles/over-30-000-pepco-customers-without-power-in-prince-george-s>

<http://www.pepco.com/home/emergency/maps/stormcenter/>

<https://twitter.com/PepcoConnect/status/299915155549061120>

Update: Entergy Traces Source of Super Bowl Power Outage to Electrical Relay Device

Entergy New Orleans, Inc. on Friday announced that it has traced the cause of a partial power outage at last Sunday's Super Bowl to an electrical relay device. Shortly after the second half of the game began, load-sensing equipment detected an abnormality in the electrical system feeding the stadium and opened a circuit breaker, causing a partial power loss that interrupted the game for about 35 minutes. Entergy said the relay device that malfunctioned was specifically installed to protect the Mercedes-Benz Superdome equipment in the event of a cable failure between the switchgear and the stadium. While the relay functioned without issue during a number of other events prior to the Super Bowl, during Sunday's game, the relay device triggered, signaling a switch to open when it should not have, causing the partial outage. This device has since been removed from service and new replacement equipment is being evaluated. Entergy officials on Friday were scheduled to answer questions about the outage before a committee of the City Council in New Orleans.

http://www.entergy.com/news_room/newsrelease.aspx?NR_ID=2670

<http://finance.yahoo.com/news/super-bowl-outage-traced-faulty-145659077.html>

California ISO Planning for Another Summer without Generation from SCE's Damaged San Onofre Nuclear Power Plant

The California Independent System Operator (ISO) on Thursday said it was working to draft a 2013 transmission plan that assumes neither of the damaged San Onofre nuclear reactors will return to service this summer. Both units at the 2,150 MW San Onofre nuclear power plant have been shut since January 2012, when operators discovered premature tube wear in the steam generators. One proposal calls for the conversion of AES's Huntington Beach natural gas-fired Units 3 and 4 into equipment that can produce megawatts that help push megawatts through the grid. That conversion is pending approval from the U.S. Federal Energy Regulatory Commission.

Reuters, 18:29 February 7, 2013

<http://www.caiso.com/Documents/Presentation-2012-2013DraftTransmissionPlan.pdf>

Colonial Pipeline Expansion Projects on Track for Second-Quarter Completion

Colonial Pipeline Co. on Thursday said two previously announced expansion projects that will add 100,000 b/d of capacity to its overall system are on schedule for completion in the second quarter this year. The first will increase capacity on Colonial's main gasoline pipeline, Line 01, which originates in Houston and terminates at Greensboro, North Carolina. The second project will add 60,000 b/d of capacity to its mixed-products mainline, Line 03, which runs from Greensboro to Linden, New Jersey. Most of the Line 03 capacity expansion will be phased in by mid-February. The capacity expansions are being accomplished primarily by making improvements to the pumps and motors used to operate the pipeline system.

DJN, 12:44 February 7, 2013

Update: Plains All American Announces Mississippian Lime Pipeline Extension

Plains All American Pipeline, L.P. on Thursday announced it is constructing a 55-mile extension of its previously announced Mississippian Lime pipeline to service growing production in the Mississippian Lime resource play in western Oklahoma and southwest Kansas. The extension, which is expected to be brought into service in the fourth quarter of 2013, will provide up to 75,000 b/d of crude oil throughput capacity from Coldwater in Comanche County, Kansas to Byron in Alfalfa County, Oklahoma. From Byron, crude oil will flow on PAA's Mississippian Lime pipeline to its terminal in Cushing, Oklahoma. The pipeline extension is supported by a long-term commitment from an area producer.

<http://ir.paalp.com/profiles/investor/ResLibraryView.asp?BzID=789&ResLibraryID=60249&Category=117>

MDU Resources and Calumet to Build 20,000 b/d Diesel Refinery in North Dakota

MDU Resources Group, Inc. and Calumet Specialty Products Partners, L.P. on Thursday announced that they have formed a joint venture to develop, build, and operate a diesel refinery in southwestern North Dakota. The joint venture will be called Dakota Prairie Refining, LLC. The facility will process 20,000 b/d of Bakken crude oil. Construction could begin this spring, and is expected to take up to 20 months.

<http://www.mdu.com/News/Pages/NewsArticle.aspx?article=328>

Valero Completes Repairs to Saturated Gas Recovery Unit at Its 310,000 b/d Port Arthur, Texas Refinery by February 7

Valero Energy Corp on Thursday said operators have completed repairs to fix a leak on the saturated gas recovery unit at its Port Arthur refinery. Operators shut the unit Wednesday morning after discovering a broken bleeder valve on the unit, according to a filing with the Texas Commission on Environmental Quality. A spokesman said the incident had no material impact on production.

Reuters, 10:39 February 8, 2013

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=179109>

Pressure Safety Valve Malfunction Causes Butanes Emissions at Citgo's 163,000 b/d Corpus Christi, Texas Refinery February 7

Citgo Petroleum Corp. reported a pressure safety valve (PSV) at the East Plant Terminal of its Corpus Christi refinery opened and released Butanes to the atmosphere Thursday morning, according to a filing with the Texas Commission on Environmental Quality. Operators isolated the line connected to the PSV and were investigating the cause of the malfunction.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=179097>

Natural Gas

Devon Reports Acid Gas Emissions at Its 650 MMcf/d Bridgeport Gas Plant in Texas February 6

Devon Energy Corporation reported an unexpected slug of condensate came into an inlet at its Bridgeport plant during routine pigging operations Wednesday evening, causing the plant's regenerative thermal oxidizer and thermal oxidizer units to shut down, according to a filing with the Texas Commission on Environmental Quality. The unit shutdowns caused emissions of acid gas to the atmosphere.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=179100>

Other News

BSEE Halts Offshore Drilling on Rigs with Faulty Bolts after Manufacturer Issues Safety Notice about Blowout Preventers

The U.S. Bureau of Safety and Environmental Enforcement (BSEE) on Wednesday said it has directed offshore drilling rig operators to inspect certain blowout preventers (BOPs) after a faulty bolt was deemed responsible for a leak of drilling fluid late last month. The bureau said that General Electric Co. issued a safety notice to customers on January 29 regarding bolts used in its H-4 connector, which connects the BOP to the wellhead. In the Gulf of Mexico, 24 of the 83 rigs actively drilling wells at the time of the alert carried connectors that may have flawed bolts, the bureau said. Of those, six rigs have so far been cleared to return to drilling operations. The equipment must be retrieved so defective bolts can be replaced. Installing new bolts and resuming drilling may take as long as 2–3 weeks for each rig, industry analysts said.

Reuters, 18:44 February 6, 2013

<http://www.businessweek.com/printer/articles/423842?type=bloomberg>

International News

Attackers' Blast Shuts 110,000 b/d Maarib Crude Oil Pipeline in Yemen February 8

Attackers on Friday bombed Yemen's 110,000 b/d Maarib crude oil pipeline, which is the country's main oil export pipeline transporting crude to the Ras Isa export terminal on the Red Sea coast. Subversive elements in Wadi Obaida (about seven miles from Maarib) blew up the pipeline, halting the flow of crude, an official working for Yemen's state-run Safer oil company. The attack was the ninth of its kind in two months targeting the pipeline. In December, Yemen said it was operating the pipeline at a rate of around 70,000 b/d.

<http://www.dailystar.com.lb/News/Middle-East/2013/Feb-08/205622-yemens-main-oil-pipeline-attacked-pumping-halted.ashx#axzz2KK8z0CF0>

<http://www.globalpost.com/dispatch/news/afp/130208/gunmen-blow-key-yemen-oil-pipeline-witnesses>

ExxonMobil Declares Force Majeure on Nigeria's Qua Iboe Grade Due to Pipeline Repair Work February 7

ExxonMobil Corp. on Thursday declared force majeure on Nigeria's Qua Iboe grade due to pipeline repair work, according to the company's local unit, which said it was working to minimize downtime and had notified appropriate regulatory agencies and purchasers. The company was continuing to produce the benchmark crude from fields not affected by the outage. Traders said they expected the force majeure to cause delays of 4–8 days on affected cargoes.

<http://www.reuters.com/article/2013/02/08/nigeria-force-majeure-idUSL5N0B88U120130208?type=companyNews&feedType=RSS&feedName=companyNews&rpc=43>

<http://www.reuters.com/article/2013/02/07/exxon-nigeria-outage-idUSL5N0B7IEA20130207?feedType=RSS&feedName=marketsNews&rpc=43>

Energy Prices

U.S. Oil and Gas Prices February 8, 2013			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	95.46	97.91	98.75
NATURAL GAS Henry Hub \$/Million Btu	3.39	3.32	2.60

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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