



ENERGY ASSURANCE DAILY

Friday Evening, February 17, 2012

Major Developments

Update: Enbridge Restarts 491,000 b/d Line 5 at Reduced Pressure after Repairing Leak in Michigan; Update on 237,000 b/d Line 1 Due Later Today

Enbridge Inc. on Friday said it returned its Line 5 oil pipeline to service after repairing a small leak it discovered near Sterling, Michigan on Tuesday, according to a company spokeswoman. Enbridge is running the line at reduced pressure as it investigates other possible trouble spots. Line 5 runs from Superior, Wisconsin to Sarnia, Ontario. Enbridge was forced to also shut its 237,000b/d Line 1, which runs from Edmonton, Alberta to Superior, yesterday due to a backup of crude at the hub in Superior. The company planned to give an update on Line 1 later today, according to the spokeswoman.

<http://af.reuters.com/article/commoditiesNews/idAFL2E8DH2QV20120217>

Electricity

NRC Cites Security Violation at Xcel Energy's 1,096 MW Prairie Island Nuclear Plant in Minnesota

The U.S Nuclear Regulatory Commission (NRC) on Thursday issued a filing citing Xcel Energy for a security violation at its Prairie Island nuclear plant in Minnesota, providing few details but deeming the violation had "at least low to moderate security significance." An NRC spokeswoman said the security issue was discovered during an October inspection and was immediately corrected, and the commission will conduct follow-up inspections. She declined to release specifics on the security deficiencies to prevent the information from being used against the plant.

<http://finance.yahoo.com/news/NRC-cites-security-violation-apf-1446825845.html?x=0>

NRC Requests Information from 11 Nuclear Plants Regarding Fuel Performance during Accidents

<http://www.nrc.gov/reading-rm/doc-collections/news/2012/12-017.pdf>

Update: TVA's 1,126 MW Sequoyah Nuclear Unit 2 in Tennessee at Full Power by February 17

On the morning of February 16 the unit was operating at 90 percent.

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

Southwestern Shuts 360 MW Harrington Unit 1 in Texas to Repair Boiler Feed Pump February 16

Southwestern Public Service Co. reported plans to shut Unit 1 on Thursday for a short maintenance outage to perform work on the main boiler feed pump.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=164930>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=164929>

U.S. House Subcommittee to Probe Energy Security Implications in Pennsylvania Refinery Closures

A U.S. House subcommittee is planning a hearing to review how the closures of three Philadelphia-area refineries, which together represent half of the refining capacity in the U.S. Northeast, could affect national security. Sunoco plans to shut its 335,000 b/d Philadelphia refinery on July 1 if no buyer is found, and it closed its Marcus Hook, Pennsylvania refinery late last year. ConocoPhillips closed its Trainer, Pennsylvania refinery in September. The House subcommittee members are concerned the closures could increase the risks to domestic critical infrastructure or threaten supply shortages in the case of global prices. The probe follows a similar effort in the U.S. Senate, where Senator Bob Casey called for a probe on the impact the refinery closures will have on prices for gasoline and diesel. No dates have been set for either hearing.

Reuters, 14:25 February 16, 2012

Small Fire Shuts Crude Unit at Tesoro's 58,000 b/d Salt Lake City, Utah Refinery

February 17

Tesoro Corp. on Friday said the crude unit at its Salt Lake City refinery was shut due to a small fire that broke out at about 5:00 AM local time and was extinguished by an onsite emergency response team. An investigation into the cause is underway, a company spokeswoman said. The refinery doesn't anticipate any significant impact to production.

DJN, 11:13 February 17, 2012

Valero Restarts Delayed Coker Unit after Power Snag at Its 310,000 b/d Port Arthur, Texas Refinery February 16

Valero Energy Corp. said Friday that a coker unit at its Port Arthur refinery was nearing planned production rates after shutting down Thursday due to a power supply glitch. Valero reported a power supply failed to a terminal box containing analogue input cards from several process points within the delayed coker unit (DCU-843), according to a filing with state regulators. Operators shut off charge to DCU-843 and stabilized the unit. A spokesman confirmed the refinery was reintroducing feed to the coker yesterday, adding that there was no material impact to production from the outage.

DJN, 11:22 February 17, 2012

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=164955>

Alon Restarts Aromex Unit after Exchanger Leak at Its 67,000 b/d Big Spring, Texas Refinery February 14; Exchanger Remains out of Service for Repairs

Alon USA reported an exchanger leaked material into a cooling tower basin Tuesday for approximately 2 hours, according to a filing with the Texas Commission on Environmental Quality. Operators shut down the entire aromex unit to allow blinding off the exchanger, which will remain out of service until it's repaired. The refinery resumed normal operation of the unit later that day, according to the filing.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=164960>

Motiva Reports Power Snag to Sulfur Units at Its 235,000 b/d Convent, Louisiana Refinery February 16

Motiva Enterprises reported a release of hydrogen sulfide and sulfur dioxide from a flare due to a brief power interruption to the two sulfur units on Thursday, according to a filing with the U.S. National Response Center. Operators were monitoring the scene but had not secured the release at the time of the filing.

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1003133

Pressure Safety Valve Malfunctions, Leads to Flaring at Husky's 146,200 b/d Lima, Ohio Refinery February 16

Husky Energy Inc. reported Thursday night that a pilot on a pressure safety valve was lifting during loading, which caused a release of benzene to the air, according to a filing with the U.S. National Response Center. Operators stopped loading and will block the system until the valve can be repaired, the filing said.

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1003119

Update: Platformer Returns to Service at Korea National Oil Corp.'s 115,000 b/d Come by Chance, Newfoundland Refinery February 17

A platformer unit at the Come By Chance refinery returned to service, a spokeswoman said Friday. A brief fire at the refinery February 8 shut the platformer without disrupting other units.
DJN, 11:42 February 17, 2012

Houston Ship Channel in Texas Opens February 17 after Fog Halts Ship Movement Since Wednesday

The Houston Ship Channel opened to allow both inbound and outbound ships Friday morning as dense sea fog dissipated for the first time in two days, the U.S. Coast Guard said. Poor visibility due to the fog forced Houston Pilots, the ship pilots association for the Port of Houston, to halt ship movement along the channel on Wednesday. About 36 ships were waiting to transit the channel by Friday morning, the Coast Guard said.
Reuters, 09:10 February 17, 2012

Sunoco Pipeline LP Announces Open Seasons for Two Crude Oil Pipeline Projects in Texas February 16

Sunoco Pipeline L.P. announced yesterday it will commence binding open seasons for its West Texas-Longview and West Texas-Houston projects to deliver crude oil from West Texas to the Mid-Valley Pipeline at Longview, Texas and to the Houston, Texas market. To accomplish the new connections, Sunoco is reversing a portion of its West Texas-Gulf line between Wotham and Goodrich, Texas, and it will upgrade connections at Goodrich to two existing lines, one to Houston and the other to Longview. The West Texas-Longview pipeline will carry approximately 30,000 b/d of West Texas Intermediate crude and is scheduled to come online by January 2013. The West Texas-Houston pipeline will carry approximately 40,000 b/d of unsegregated crude oil starting in April 2012, but then is scheduled to carry West Texas Sour after January 2013.

Reuters, 18:13 February 16, 2012

<http://www.sunocologistics.com/SiteData/docs/2012%2002%2016%20--%20SXL%20Announces%20Open%20Season%20on%20W%20Texas%20Projects/881d4043156c7f46af9bf3765519fc1d/2012%2002%2016%20--%20SXL%20Announces%20Open%20Season%20on%20W%20Texas%20Projects.pdf>

Enbridge May Expand Canadian Oil Export Line to Accommodate Flanagan South Proposal; Reviewing Northern Gateway Route – Executive

Enbridge Inc. plans to expand its Canadian oil mainline system to accommodate new supplies for its proposed Flanagan South project in the U.S. Midcontinent region, an executive said during a conference call Friday. The previously announced project to construct an additional crude oil line from the company's terminal in Flanagan, Illinois, south to Cushing, Oklahoma is expected to be in service by mid-2014. Expanding the system would involve mostly additions to pumping capacity on existing lines and require minimal regulatory approval, the executive said. The company is also reexamining options for routing the Northern Gateway pipeline to Prince Rupert, British Columbia, but it still believes the current proposed route to Kitimat, British Columbia, is the best option.
Reuters, 09:48 February 17, 2012

Natural Gas

Encana Announces It Aims to Reduce Natural Gas Output by 600 MMcf/d to Cope with Falling Prices; Starts by Shutting-in 250 MMcf/d of Production

<http://www.reuters.com/article/2012/02/17/encana-naturalgas-idUSL2E8DH33R20120217?feedType=RSS&feedName=marketsNews&rpc=43>

Energy Transfer Partners to Expand Its Eagle Ford Mainline, Build New 200 MMcf/d Gas Processing Facility in Texas

Energy Transfer Partners, L.P. (ETP) yesterday announced it has entered into new multiple long-term, fee-based agreements with producers to provide natural gas gathering, processing, and liquids services from the Eagle Ford Shale in South Texas. To facilitate the agreements, ETP will further expand the previously announced Rich Eagle Ford Mainline (REM) pipeline and will construct another new 200 MMcf/d cryogenic processing facility. Upon full completion, REM will consist of approximately 257 miles of 30-inch and 42-inch pipe with a capacity in excess of 1 Bcf/d by the fourth quarter of 2013. The new processing plant, located in Karnes County, Texas is scheduled to be completed in the fourth quarter of 2012.

<http://ir.energytransfer.com/phoenix.zhtml?c=106094&p=irol-newsArticle&ID=1661908>

Enbridge Reports Repeated AGI Unit Shutdowns at Its Tilden Gas Plant in Texas, February 16

Enbridge reported multiple problems with its acid gas injector (AGI) units in filings with the Texas Commission on Environmental Quality yesterday. Its AGI Unit 2 shut down on a third-stage high-temperature discharge yesterday morning, and its AGI Unit 1 shut down due to a compressor motor fault. Operators immediately responded to correct the situation. Later that afternoon, AGI Unit 1 shut down due to first-stage suction pressure, and AGI Unit 2 shut down due to compressor motor fault. Operators again immediately responded to correct the situation.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=164963>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=164964>

Exterran Reports Engine Shutdown at Its 50 MMcf/d Reinecke Gas Plant in Texas, February 15

Engine 70972 went down due to detonation, according to a filing with the Texas Commission on Environmental Quality. Operators changed the engine head and adjusted valves to correct the situation.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=164914>

Other News

Barge Collision Spills Oil, Shuts Five-Mile Stretch of Mississippi River West of New Orleans February 17

An oil tanker barge on the Mississippi River collided with a deck barge just before 2:00 AM local time Friday near Reserve in St. John Parish, about 50 miles upriver from New Orleans. The collision tore a gash in the double-hulled tank of the tanker barge, spilling oil and leading officials to close the river between mile markers 135 and 140. The spill was later contained. Neither vessel sank, the U.S. Coast Guard reported. The closed stretch of river is a busy shipping and industrial corridor that stretches from New Orleans north to Baton Rouge and is lined by refineries, chemical plants, and the Port of South Louisiana. It was unclear Friday morning how seriously hampered these operations would be by the closing of the river, and the Coast Guard did not know how long the river might be closed for investigation and clean-up.

Reuters, 09:36 February 17, 2012

http://www.cbsnews.com/8301-201_162-57380118/barge-collision-on-mississippi-river-spills-oil/

<http://www.cnn.com/2012/02/17/us/louisiana-oil-spill/index.html>

International News

Update: Workers Return to Yemen's Masila Oilfield after Strike; Oil Production at 140,000 b/d Block Resumes February 17

Production at the field ceased on February 8 when employees demanding better wages and incentives decided to strike.

BN, 12:13 February 17, 2012

Energy Prices

U.S. Oil and Gas Prices			
February 17, 2012			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	102.96	98.38	84.95
NATURAL GAS Henry Hub \$/Million Btu	2.47	2.50	3.90

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

Energy Assurance Daily provides a summary of public information concerning current energy issues. Published Monday through Friday to inform stakeholders of developments affecting energy systems, flows, and markets, it provides highlights of energy issues rather than a comprehensive coverage. *Energy Assurance Daily* is updated online Monday through Friday after 5:00 p.m. EDT. For more information, visit the Infrastructure Security and Energy Restoration (ISER) website at:

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

Please direct comments and questions to: ead@oe.netl.doe.gov