



ENERGY ASSURANCE DAILY

Thursday Evening, March 7, 2013

Major Developments

Update: More Than 94,000 Utility Customers Remain Without Power in the Mid-Atlantic Due to Winter Storm March 7

An ongoing winter storm continued its track up the Northeast coast Thursday, part of a system that knocked out power to more than 400,000 Mid-Atlantic utility customers Wednesday before slowly tapering off in severity. Heavy rain was expected to continue in parts of the southern New England coast, with snow further inland, today and tomorrow. As of 2:00 p.m. EST Thursday, 94,522 customers remained without power, mostly in western Virginia, where the storm brought up to 18 inches of heavy, wet snow as well as high winds and rain from Tuesday evening until early Thursday morning. Dominion Virginia Power said it expects to restore service by Friday night for more than 95 percent of its 230,000 customers affected by the storm. Restoration will continue into Saturday in the hardest-hit areas surrounding Charlottesville and the Shenandoah Valley. The Central Virginia Electric Cooperative reported significant damage due to the storm, including downed power lines and broken poles, and said that it will be Saturday or Sunday before service is restored to all affected members.

<http://www.weather.gov/>

<http://dom.mediaroom.com/2013-03-07-Dominion-Expects-To-Restore-Electric-Service-By-Friday-Night-To-More-Than-95-Percent-Of-Customers-Affected-By-Winter-Storm>

http://www.forcvec.com/outage/index_2.html

Mid-Atlantic Customer Power Outages			
March 5-7, 2013			
Electric Utility	State	Peak	Latest Reported
Dominion Virginia Power	VA	230,000	39,732
Central Virginia Electric Coop. (CVEC)	VA	18,854	11,249
Rappahannock Electric Cooperative	VA	59,334	37,771
AEP Appalachian Power	VA/WV	9,315	1,140
FirstEnergy (MD, VA)	MD/WV	19,490	3,338
Baltimore Gas & Electric	MD	965	402
Atlantic City Electric	NJ	35,000	700
FirstEnergy New Jersey	NJ	10,000	14
Public Service Electric & Gas	NJ	4,750	48
Delmarva Power	DE	12,572	9
FirstEnergy Pennsylvania	PA	3,411	119
TOTAL*		403,691	94,522

*Total outages represent only electric utilities listed in this table. Peak outages are not coincidental.

Sources:

<https://www.dom.com/storm-center/dominion-electric-outage-summary.jsp>

<http://dom.mediaroom.com/2013-03-07-Dominion-Expects-To-Restore-Electric-Service-By-Friday-Night-To-More-Than-95-Percent-Of-Customers-Affected-By-Winter-Storm>

<http://www.outageentry.com/dvosm/dvOSM2.php?Client=cvec>

<http://www.myrec.coop/outage-center/outage-map.cfm;jsessionid=5230dbef8edcdf7f7d9f1e3e787474218411>

<https://www.appalachianpower.com/outages/>

<http://outages.firstenergycorp.com/mdwv.html>

<http://outagemap.bge.com/>

<http://www.atlanticcityelectric.com/welcome/news/releases/archives/2013/article.aspx?cid=2268>

<http://outages.firstenergycorp.com/nj.html>

<http://www.pseg.com/info/media/newsreleases/2013/2013-03-07.jsp>

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

<http://outages.firstenergycorp.com/pa.html>

U.S. Power Grid Costs Rise While Restoration Takes Longer – Associated Press Study

An Associated Press analysis of utility spending and reliability nationwide found that electric customers are spending 43 percent more than they did in 2002 to build and maintain local electric infrastructure, and when power outages occur, restoration takes longer. The study compares reliability statistics with the spending of 210 utilities across 24 categories of local distribution equipment. In 2011, the average U.S. electric customer was without power for 112 minutes, a 15 percent increase since 2002 and the highest level in 10 years. Over that same period, annual spending per customer on local distribution equipment and maintenance rose about twice as fast as the rate of inflation, from \$163 to \$232.

<http://www.google.com/hostednews/ap/article/ALeqM5hNpUxKexOaIA-Tn9DMdPczFIb0dw?docId=7ca74cae4dc7407986e61a5a6be91532>

NRG Proposes Continuing to Operate 100 MW Dunkirk Coal-Fired Unit 2 Through May 2015, Mothballing 100 MW Unit 1; Long-Term Plant Conversion to Burn Natural Gas

NRG Energy Inc. reported it has reached an agreement with a unit of National Grid Plc to continue operating the 100 MW Dunkirk coal-fired Unit 2 in New York for another two years, according to a spokesman. The contract runs from June 1, 2013 to May 31, 2015. NRG said it will mothball the 100 MW Unit 1 at the plant. The New York Public Service Commission (PSC) must approve these plans. Last September, NRG mothballed the 185 MW Dunkirk Units 3 and 4. The PSC has said that closing Dunkirk could cause reliability concerns, and in January ordered National Grid to evaluate repowering Dunkirk versus the utility's plan to upgrade transmission lines. NRG has proposed repowering the Dunkirk plant to burn natural gas, replacing the current facility with a 440 MW combined cycle gas plant, and intends to submit these plans with National Grid later this month. National Grid said it plans to respond to the PSC and to proposals from NRG by April 22.

Reuters, 11:57 March 7, 2013

PPL Reports Cooling Safety System Malfunction at Its 1,111 MW Susquehanna Nuclear Unit 2 in Pennsylvania March 7

PPL Susquehanna LLC reported that early Thursday morning, operators declared the Susquehanna 2 high pressure coolant injection (HPCI) system inoperable after its turbine steam exhaust valve failed in the closed position during the quarterly valve exercising surveillance, according to a filing with the U.S. Nuclear Regulatory Commission. HPCI is a single train Emergency Core Cooling Safety system. This event results in the loss of an entire safety function, which requires operators to notify the NRC.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2013/20130307en.html>

NRC Says Southern Has Adequately Addressed Safety Concerns at Its Farley Nuclear Power Plant in Alabama

The U.S. Nuclear Regulatory Commission (NRC) announced it will hold an open house this month to provide information about the agency's inspections and assessment of the Farley nuclear power plant during 2012. Both units at the plant, which is operated by Southern Nuclear Operating Co. near Columbia, were subject to increased oversight during the first three quarters of 2012 due to a previous, unspecified "Security Cornerstone finding." Overall, the NRC staff concluded that both units at the Farley plant operated safely in 2012, and the NRC determined that operators have adequately addressed the security inspection finding. There were no additional inspection findings or performance indicators that would cause the NRC to increase its level of oversight and inspection.

<http://www.nrc.gov/reading-rm/doc-collections/news/2013/13-007.ii.pdf>

<http://pbadupws.nrc.gov/docs/ML1306/ML13063A563.pdf>

FirstEnergy Announces New Alert, Text Messaging Services to Provide Customers with Direct Access to Outage Information

https://www.firstenergycorp.com/content/fecorp/newsroom/news_releases/new-alert-and-text-messaging-services-from-firstenergy-provide-d.html

Flows Return to Normal after Brief Power Outage Shuts TransCanada's 590,000 b/d Keystone Crude Oil Pipeline

TransCanada Corp. reported flows on its 590,000 b/d Keystone crude oil pipeline quickly returned to normal Wednesday after the company briefly shut the line due to a brief power outage. The line delivers oil from Hardisty, Alberta to southern Illinois and Cushing, Oklahoma.
Reuters, 14:14 March 6, 2013

Delek Says Its 83,000 b/d El Dorado, Arkansas Refinery Processed 63,200 b/d in Q4 Due to Supply Problems Caused by Pipeline Shutdown

Delek US Holdings on Thursday said that its 83,000 b/d El Dorado refinery processed an average of 63,200 b/d during the fourth quarter last year due to a supply disruption. Operators reported the shutdown of an ExxonMobil pipeline in late April also prompted the refiner to ship in more than 17,000 b/d of crude oil by rail during the fourth quarter.
Reuters, 11:36 March 7, 2013

Tesoro Says Its 166,000 b/d Martinez, California Refinery Resuming Normal Operations March 6 after a Brief Unit Upset March 5

Tesoro Corp. on Wednesday reported its Golden Eagle refinery in Martinez was resuming normal operations after a brief, unspecified unit upset on Tuesday, a spokeswoman said. Operators did not expect any impact to product supply commitments. The company reported the shutdown of two major units at the refinery on Tuesday, according to a filing with the Contra Costa health department on Wednesday.
Reuters, 11:44 March 6, 2013
<http://www.businessweek.com/news/2013-03-06/los-angeles-gasoline-drops-as-exxon-said-to-delay-torrance-work>

Update: FCCU Restart Proceeding Slowly at BP's 265,000 b/d Carson, California Refinery March 7 – Sources

The restart of a 102,500 b/d fluid catalytic cracking unit (FCCU) at BP Plc's Carson refinery was proceeding slowly, sources familiar with operations at the refinery said Wednesday. Traders had reported that an attempt to restart the FCCU Wednesday had failed. The FCCU and a related alkylation unit recently underwent a 6-week overhaul, originally scheduled to finish by February 22, which was extended due to unexpected repairs. Operators told pollution regulators that emissions associated with restart procedures could continue until March 15, three days later than previous estimates.
Reuters, 17:29 March 6, 2013

Phillips 66 May Build Rail Rack at Its 100,000 b/d Ferndale, Washington Refinery to Increase Shipments of U.S. Inland, Canadian Heavy Crudes

Phillips 66 may build a rail rack to increase shipments of cheaper U.S. inland and Canadian heavy crude to its Ferndale refinery, an executive said Thursday. The rack could supplement the 20,000 b/d already shipped to the refinery through a third-party arrangement. The company may also offload Canadian heavy crude in Washington State and then ship it to the company's refineries in Rodeo and Wilmington, California.
Reuters, 10:49 March 7, 2013

Lyondell to Process 115,000 b/d More of Heavy Canadian Crude at Its 270,600 b/d Houston, Texas Refinery after Current Coker, CDU Overhaul

LyondellBasell Industries NV on Wednesday reported that its Houston refinery is boosting its capacity to process heavy Canadian crude oil by 115,000 b/d in an overhaul of a coking unit and a crude distillation unit (CDU) currently underway. The Houston refinery can currently process 60,000 b/d in Canadian crude.
Reuters, 10:13 March 6, 2013

Williams and Boardwalk to Build NGL Pipeline System to Transport Marcellus, Utica Mixed NGLs to Gulf Coast Export Markets

Williams and Boardwalk Pipeline Partners, LP on Wednesday announced they intend to form a joint venture that would develop a pipeline project to transport natural gas liquids (NGLs) from the Marcellus and Utica shale plays in Ohio, West Virginia, and Pennsylvania to the U.S. Gulf Coast. The proposed "Bluegrass Pipeline" would transport 200,000 b/d of mixed NGLs, and could be expanded to carry 400,000 b/d to meet market demand. It would deliver mixed NGLs to proposed new fractionation and storage facilities, which would connect to petrochemical facilities and product pipelines along the coasts of Louisiana and Texas. As proposed, the Bluegrass Pipeline would include the following:

- Constructing a new NGL pipeline from producing areas in West Virginia and Ohio to an interconnect with Boardwalk's Texas Gas Transmission (TGT) system in Hardinsburg, Kentucky;
- Converting a portion of Texas Gas from Hardinsburg to Eunice, Louisiana (the "TGT Loop Line") from natural gas service to NGL service, including construction of new pump stations and related facilities; and
- Constructing a new large-scale fractionation plant and expanding natural gas liquids storage facilities in Louisiana and a new pipeline connecting these facilities to the converted TGT Loop Line.

Subject to required approvals and other necessary conditions, Williams and Boardwalk expect to sanction the project this year and place it into service in the second half of 2015.

<http://www.b2i.us/profiles/investor/NewsPrint.asp?b=630&ID=60830&m=rl>

Other News

BP Sees Up to 50,000 Cyberattack Attempts per Day – CEO

At the IHS CERAWeek Conference in Houston on Wednesday, BP CEO Bob Dudley said the company sees as many as 50,000 cyberattack attempts a day, "like many big companies," but to his knowledge none have resulted in stolen data.

http://www.cnb.com/id/100529483?_source=yahoo|headline|quote|text|&par=yahoo

International News

Update: TAQA Starts Process to Restore 80,000 b/d of Capacity on Brent Crude Oil Pipeline Network in U.K. North Sea March 7

The Abu Dhabi National Energy Company, known as TAQA, on Thursday reported it has begun the process of restarting the flow of an estimated 80,000 b/d of crude oil in the Brent pipeline system following a precautionary shutdown on March 2. The 100,000 b/d pipeline system, which is operated by TAQA and runs through the Cormorant Alpha platform, was halted after operators detected a small hydrocarbon release in one of the platform's legs. The hydrocarbons released were contained within the platform leg and none entered the environment. The leak has now been contained with no further oil release. An investigation has showed no connection between the Brent pipeline system and the pipeline involved in the release. The 90,000 b/d of Cormorant Alpha production remains shut-in while work on the platform leg continues.

http://www.taqaglobal.com/media-centre/press-releases/2013/02a-03-2013.aspx?sc_lang=en

<http://www.scotsman.com/news/scottish-news/top-stories/cormorant-alpha-oil-platform-repair-work-begins-1-2824047>

Car Bomb Detonates near Ecopetrol Facility in Colombia, Leaves City of Tumaco without Water or Electricity March 5

http://www.upi.com/Top_News/World-News/2013/03/05/Two-blasts-darken-Colombian-city/UPI-80341362501058/

Energy Prices

U.S. Oil and Gas Prices			
March 8, 2013			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	91.19	92.44	106.19
NATURAL GAS Henry Hub \$/Million Btu	3.57	3.49	2.30

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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