



ENERGY ASSURANCE DAILY

Friday Evening, March 09, 2012

Major Developments

Update: Enbridge Restarts 318,000 b/d Line 64 in U.S. Midwest March 9 after Fire

Enbridge Inc. on Friday restarted Line 64, the easternmost part of its 318,000 b/d Line 14/64, which had been shut since early Saturday after a deadly vehicle accident near a pumping station in New Lenox, Illinois caused an oil leak and fire. The western segment of the pipeline, Line 14, restarted on Tuesday. Enbridge has cautioned that the outage could slow volumes between Alberta and Superior, Wisconsin or lines that feed the major trunk system from production facilities, but a spokeswoman said on Friday it is not yet known what the lingering effects of the outage will be. Enbridge is still working to estimate the volume of oil spilled in the incident.

<http://ca.reuters.com/article/businessNews/idCABRE8280VF20120309>

Electricity

Update: U.S. Energy Department, NERC, Utilities Closely Monitor Solar Storm's Impact to Nation's Grid

Working closely with other government agencies, the U.S. Energy Department, the North American Electric Reliability Corporation (NERC), and electricity utilities across the United States are closely monitoring the solar storm that struck earth's magnetic field yesterday morning and evaluating its impact to the nation's electric grid. The Energy Department has been an active partner with NERC in addressing space weather issues such as geomagnetic disturbances, which, though infrequent, can pose a high risk to bulk power systems. The storm cut some radio communications at the North and South poles Thursday morning, but otherwise it has not caused significant geomagnetic disruptions, as of the latest reports Friday.

http://www.cbsnews.com/8301-205_162-57394069/solar-storm-shakes-earths-magnetic-field/

<http://energy.gov/articles/solar-storm-closely-watched-worldwide>

Obama Administration Simulates Cyber Attack on New York City Power Grid

In a classified Senate demonstration in the U.S. Capitol on Wednesday, the Obama administration simulated a cyber attack on New York City's power supply during a summer heat wave, in an effort to win support for legislation to boost the nation's computer defenses. Lawmakers are debating cybersecurity legislation amid increasing concerns that computer networks operated by U.S. banks, power grids, and telecommunications firms may be vulnerable to hacking or viruses. One Senate measure would direct the Homeland Security Department to set cybersecurity regulations for companies deemed critical to U.S. national and economic security. Another Senate bill would avoid new rules but promote information-sharing through incentives such as protection from lawsuits.

<http://www.post-gazette.com/pg/12069/1215462-84.stm>

NRC Chairman Jaczko Urges Industry to Expedite Seismic Assessments of U.S. Nuclear Power Plants

U.S. Nuclear Regulatory Commission (NRC) Chairman Gregory Jaczko said Thursday in a telephone interview that U.S. nuclear reactor owners should complete an assessment of earthquake risks by 2016, at least a year ahead of schedule. Reactor owners have said that seismic reviews may take until at least 2017, or later, because technical resources aren't available for a quicker analysis. Jaczko said owners must overcome resource challenges to expedite assessments of how U.S. nuclear power plants will deal with earthquake and flooding risks, in light of Japan's Fukushima nuclear power plant disaster last year.

<http://www.bloomberg.com/news/2012-03-08/nuclear-industry-must-speed-seismic-reviews-nrc-s-chairman-says.html?cmpid=yhoo>

More Than 25,000 SCE&G Customers in South Carolina Briefly Lose Power after Mechanical Failure March 8

South Carolina Electric & Gas (SCE&G) reported 25,483 of its customers in Summerville, in Dorchester County, lost power at 11:39 AM EST yesterday for two minutes due to a mechanical failure, according to local reports. Another 835 customers were without power for 90 minutes as crews made repairs. The SCE&G website was reporting only four customer outages in Dorchester County as of this morning.

<http://www.sceg.com/en/storm-center/outage-map/>

<http://summerville.live5news.com/news/news/66644-25000-lose-power-briefly-summerville-after-mechanical-failure>

Update: FirstEnergy's 1,235 MW Perry Nuclear Unit 1 in Ohio at Full Power by March 9

On the morning of March 8 the unit was operating at 86 percent.

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

Update: PSE&G's 1,049 MW Hope Creek Nuclear Unit 1 in New Jersey at Full Power by March 9

On the morning of March 8 the unit was operating at 86 percent.

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

Petroleum

Tesoro Restarts Units at Its 166,000 b/d Martinez, California Refinery March 8 after Plant-Wide Power Outage March 7

Tesoro Corp. was restarting units at its Martinez, California refinery on Thursday following a plant-wide power outage that struck at about 9:00 PM PST the night before, according to the Contra Costa County Hazardous Materials Office. The refinery began restarting major units at 4:00 AM PST on Thursday. Tesoro Corp. reported a small fire broke out in insulation on a unit at the refinery early Wednesday morning as operators restarted production units following a two-month overhaul, and it was restarting a hydrogen plant on Tuesday. Reports have not indicated whether these events are related.

Reuters, 19:27 March 8, 2012

ConocoPhillips Reports Compressor Failure at 362,000 b/d Wood River, Illinois Refinery March 8

ConocoPhillips on Friday reported a compressor failure occurred at its joint-venture refinery in Wood River, Illinois around 2:32 PM local time Thursday, according to a filing with state regulators.

<http://www.reuters.com/article/2012/03/09/refinery-operations-conoco-woodriver-idUSWNAB113320120309?type=companyNews&feedType=RSS&feedName=companyNews&rpc=43>

Chevron Reports Pipeline Leak, Unspecified Plant Shutdowns at Its 330,000 b/d Pascagoula, Mississippi Refinery March 7–8

Chevron Corp. reported two incidents at its Pascagoula refinery March 7–8 in filings with the U.S. National Response Center. The refinery first reported an unspecified “plant shutdown” caused a release of 1,000 pounds of nitrous oxide into the air late Wednesday night. The release had not been secured at the time of the filing. The second filing reported a leak in a pipeline at the refinery and a release of an estimated 10 pounds of benzene Thursday evening. In response to that leak, refinery personnel “barricaded off the area, shutting [the] plant down,” the filing said. A Chevron representative wasn’t immediately available for comment.

DJN, 10:47 March 9, 2012

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1005085

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1005181

Suncor Reports Operational Process Work at Its 135,000 b/d Edmonton, Alberta Refinery March 7

Suncor Energy Inc. reported it is conducting “operational process work” at its Edmonton refinery in Alberta, according to a community hotline message posted late Wednesday.

<http://www.bloomberg.com/news/2012-03-08/syncrude-weakens-after-suncor-reports-edmonton-refinery-work.html>

Buckeye to Increase Capacity on Gasoline Pipeline from New Jersey to Pennsylvania; Plans Other Infrastructure Developments to Bring Imported Gasoline to U.S. Northeast

Buckeye Partners said on Thursday that it will on April 1 increase capacity to 30,000 b/d on a gasoline pipeline running from its terminal in Linden, New Jersey to its terminal Macungie, Pennsylvania. A second expansion to 45,000 b/d is planned for the first quarter of 2013. In addition, Buckeye has offered to buy Chevron's Perth Amboy, New Jersey refinery in February and use it as a terminal from which to dispatch imported gasoline to the U.S. Northeast. The company expects the deal to close in the second quarter of 2012. Once the acquisition is final, Buckeye plans to build a 16-inch pipeline between Perth Amboy and Linden, New Jersey.

<http://www.reuters.com/article/2012/03/08/harbor-gasoline-buckeye-idUSL2E8E8DJ20120308?feedType=RSS&feedName=industrialsSector&rpc=43>

Motiva to Convert Storage Tanks to ULSD, Biodiesel at Sewaren Terminal in New Jersey to Meet Increased Demand from U.S. Northeast

Motiva has said it plans to convert all its high sulfur diesel heating oil storage to ultra low sulfur diesel (ULSD) at its Sewaren Terminal in New Jersey, according to reports. The 5 million-barrel refined products terminal is making the conversion to accommodate increasing demand from New York and other Northeastern states that are requiring consumers to switch from higher-sulfur heating oil to ULSD to reduce pollution. Motiva also plans to convert two tanks of current heating oil storage to B100 biodiesel to help supply multiple blends of biodiesel in the Northeast, the company said. Pending necessary permits, Motiva plans to complete the conversion of tankage to ULSD in the second quarter of 2012 and to biodiesel in the third quarter of 2012.

<http://www.hydrocarbonprocessing.com/Article/2992306/Latest-News/Motiva-to-convert-NJ-storage-to-ULSD-biodiesel.html>

Delek's 36,000 b/d Crude Oil Pipeline Reversal Project in Texas Should Be Operational by Late April

Delek reported its reversal of a 36,000 b/d crude oil pipeline it purchased from Paline Pipeline in December was almost complete and should be operational by the end of next month, a company official told analysts on a call Thursday. When the reversal is complete, the pipeline will ship crude south from Longview, Texas to Nederland, Texas.

<http://uk.reuters.com/article/2012/03/08/delek-crude-pipeline-idUKL2E8E88KD20120308>

Update: U.S. Senate Rejects Bill Amendment to Permit Construction of TransCanada's Keystone XL Crude Oil Pipeline from Alberta to U.S. Gulf Coast

<http://www.reuters.com/article/2012/03/09/usa-politics-transportation-idUSL2E8E882W20120309?feedType=RSS&feedName=governmentFilingsNews&rpc=43>

Natural Gas

Foaming Amine System Leads to AGI Compressor Shutdown at Regency's 290 MMcf/d Waha Gas Plant in Texas March 8

Regency Energy Partners reported an acid gas injector (AGI) compressor went down on low suction pressure due to foaming in the amine system Thursday, according to a filing with the Texas Commission on Environmental Quality. Operators first reduced inlet gas volume to the plant to reduce/eliminate foaming in the amine system upstream of the AGI compressor, and then they reset and restarted the AGI compressor.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=165808>

Other News

Nothing to report

International News

Nothing to report

Energy Prices

U.S. Oil and Gas Prices			
March 9, 2012			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	107.80	106.69	104.66
NATURAL GAS Henry Hub \$/Million Btu	2.24	2.45	3.83

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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