



ENERGY ASSURANCE DAILY

Friday Evening, March 15, 2013

Electricity

Update: New York Commissioners Say 1,350 MW of Generation or Transmission Would Be Needed if Entergy's Indian Point Nuclear Power Plant in New York Closes

The New York Public Service Commission (PSC) on Thursday approved a request that the commission seek later this month proposals to supply 1,350 MW of generation or transmission to keep the power grid reliable if Entergy Corp. is forced to shut its 2,063 MW Indian Point nuclear power plant when its last reactor operating license expires in 2015. Entergy has applied with the U.S. Nuclear Regulatory Commission to renew the licenses for the two reactors at the plant, but New York Governor Andrew Cuomo wants to shut the reactors because of the plant's proximity to the New York metro area, home to some 19 million people. Entergy maintains that the plant will continue to operate safely. The PSC on Thursday said that if the plant shuts in 2015, an additional 1,350 MW of generation or transmission would be needed by the summer of 2016. If a request for proposals to supply the power goes forward in March, the PSC said it could make final recommendations by about September.

<http://www.reuters.com/article/2013/03/14/utilities-newyork-indianpoint-idUSL1NOC695720130314?feedType=RSS&feedName=industrialsSector&rpc=43>

TVA Shuts Its 1,118 MW Browns Ferry Nuclear Unit 2 in Alabama March 14 to Repair Reactor Core Isolation Cooling System Valve

The Tennessee Valley Authority (TVA) reported that technical specifications required operators to shut Browns Ferry Unit 2 on Thursday because radiography results for the Unit 2 Reactor Core Isolation Cooling (RCIC) system showed that valve 2-HCV-71-14 was in the fully open position, which is not in compliance with acceptance criteria, according to a filing with the U.S. Nuclear Regulatory Commission. This valve is the RCIC turbine exhaust stop-check valve. It is one of two Primary Containment Isolation Valves (PCIVs) connecting RCIC directly to primary containment. Technical specifications required operators to isolate the RCIC system to prevent flow through the faulty valve. Because the valve is unisolable to primary containment, operators had to shut Unit 2 to perform repairs. On the morning of March 14 the unit was operating at 84 percent.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2013/>
<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2013/20130315en.html>

Luminant Shuts 593 MW Big Brown Coal-Fired Unit 2 in Texas to Repair Boiler Tube Leak March 14

Luminant reported it tripped Big Brown Unit 2 while reducing load Thursday to repair a boiler tube leak, according to a filing with the Texas Commission on Environmental Quality. Operators had to expedite shutdown procedures due to the "unexpected severity" of the boiler tube leak and to protect equipment.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=180430>

JCP&L Joins New Jersey Preparedness Communications Network to Help Coordinate Emergency Response Efforts

Jersey Central Power & Light (JCP&L) on Thursday announced that it will join the New Jersey Preparedness Emergency Communication Network, which is expected to help provide quicker responses during emergencies in northern New Jersey and better coordinate the actions of first responders during major storms. JCP&L is the first New Jersey utility to join the emergency communications system network.

https://www.firstenergycorp.com/content/fecorp/newsroom/news_releases/jcp-l-joins-new-jersey-preparedness-communications-network-to-he.html

Toledo Edison Announces Plans to Enhance Electric System and Reliability in Ohio

Toledo Edison announced today its plans to spend approximately \$11 million in 2013 to further enhance the electrical system and reliability in northwest Ohio, by upgrading distribution circuits, replacing underground cables, inspecting and replacing poles, and ongoing vegetation management.

https://www.firstenergycorp.com/content/fecorp/newsroom/news_releases/toledo-edison-investments-2013.html

Petroleum

Update: Salvage and Firefighting Operations Continue at Scene Where Tugboat, Barge Struck LPG Pipeline Near Bayou Perot in Louisiana March 15

The U.S. Coast Guard said it was continuing to respond to a fire that began on Tuesday, when a 47-foot tugboat and crude oil barge collided near Bayou Perot with a 19-mile liquid petroleum gas (LPG) pipeline owned by Chevron Corp. Operators had immediately isolated the pipeline, and officials were waiting for the LPG that remained in the pipeline to burn itself out. Chevron has begun flaring the pipeline. As the amount of LPG remaining in the pipeline dwindles, the amount and color of the smoke may fluctuate. Workers were able to separate the tank barge from the tug wreckage in an operation late Thursday afternoon. Responders continue to monitor and ensure the integrity of the barge is maintained to allow for safe salvage operations as soon as the fire is extinguished. The Coast Guard has placed temporary flight restrictions over the airspace near the barge.

<http://www.uscgnews.com/go/doc/4007/1725619/UPDATE-4-Salvage-and-firefighting-operations-continue>

North Dakota Oil Output Falls 10 Percent in January to 738,000 b/d Due to Bad Weather; Forecasts Suggest Production Could Remain Flat until May

North Dakota's oil production fell more than 4 percent in January from a record high in December after winter storm Gandolph and sub-zero temperatures reduced the number of new wells coming on stream, according to data from the State's Industrial Commission. Producers pumped just over 738,000 b/d in January, down about 32,000 b/d from an all-time high of more than 770,100 b/d in December. Output in November had also declined due to weather-related issues. The State's Department of Mineral Resources on Friday said North Dakota may not see any increases in oil production until May due to ongoing bad weather and road restrictions. Output is still expected to hit 850,000 b/d in early 2014.

Reuters, 11:17 March 15, 2013

Reuters, 11:21 March 15, 2013

Update: DOI Recommends Integrated Plan, Management Audit after Its Review of Shell's 2012 Offshore Drilling Program in Beaufort and Chukchi Seas

The U.S. Department of the Interior (DOI) on Thursday announced its findings following a review of Shell's 2012 offshore drilling program in the Beaufort and Chukchi Seas, which will help guide the conduct and oversight of future Arctic exploration. The assessment found that Shell entered the 2012 drilling season without having finalized key components of its program, which put pressure on Shell's operations and schedule and limited Shell from drilling into oil-bearing zones last summer. Weaknesses in Shell's management of contractors on whom they relied for many critical aspects of the program led to many of the problems that the company experienced. The report recommends that the company submit to the department a comprehensive, integrated plan for its operations, and to commission a full, third-party management system audit to confirm whether Shell's management systems are appropriately tailored for Arctic conditions and that Shell has addressed the problems that it encountered during the 2012 drilling season. Shell announced late last month that it has decided to pause its exploration drilling activity for 2013 in the Beaufort and Chukchi Seas to focus on preparing equipment and plans before resuming its Arctic exploration program.

<http://www.doi.gov/department-of-the-interior-releases-assessment-of-shells-2012-arctic-operations.cfm>

<http://www.doi.gov/news/pressreleases/upload/Shell-report-3-8-13-Final.pdf>

Northern Tier to Shut Its 74,000 b/d Saint Paul, Minnesota Refinery in April to Complete 8,000 b/d Expansion Project to Process Bakken Crude

Northern Tier Energy LP in April will shut its Saint Paul Park refinery for about 25 days to complete an expansion project that will increase the facility's crude-oil throughput capacity by 8,000 b/d, CEO Hank Kuchta said during a recent earnings call. The expansion will increase the refinery's ability to process Bakken crude, mostly through modifications to the plant's No. 2 crude unit.

DJN, 10:35 March 15, 2013

Total Reports Emissions from Alkylation Unit Cooling Tower at Its 232,000 b/d Port Arthur, Texas Refinery March 14

Total Petrochemicals Inc. said its operators suspected leaking exchangers were causing elevated emissions from the alkylation unit cooling towers at its Port Arthur refinery on Thursday, according to a filing with the Texas Commission on Environmental Quality.

Reuters, 19:31 March 14, 2013

Natural Gas

Enterprise Commissions New Deisobutanizer Unit at Its Mont Belvieu NGL Complex in Texas March 14

Enterprise reported it was expecting elevated emissions as it commissioned the new North Deisobutanizer unit at its Mont Belvieu natural gas liquids (NGL) complex this week, according to a filing with the Texas Commission on Environmental Quality. Operators expected emissions to begin Thursday morning through Saturday morning.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=180168>

Compressor Malfunction Shuts Two AGI Units at Enbridge's Tilden Gas Plant in Texas March 14

Enbridge reported acid gas injector (AGI) Units 1 and 2 at its Tilden plant shut down on low flow Thursday afternoon due to a compressor malfunction, according to a filing with the Texas Commission on Environmental Quality.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=180458>

Other News

Update: Suspect Admits Closing Multiple HCU Valves at Sinclair's 80,000 b/d Sinclair, Wyoming Refinery Last October

A man who used to work at the Sinclair Refinery has been arrested after admitting that on October 18, 2012, he purposefully shut several valves on a hydrocracker unit (HCU) as a "joke." Officials have charged him with aggravated assault and battery, terroristic threats, and reckless endangerment. The valves he shut regulated the temperature and pressure on the HCU, and operators said it took an hour to stabilize the unit.

http://www.rawlinstimes.com/news/article_b77eb676-8d17-11e2-a35b-0019bb2963f4.html

International News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices			
March 15, 2013			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	93.22	91.24	105.78
NATURAL GAS Henry Hub \$/Million Btu	3.74	3.54	2.13

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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