



# ENERGY ASSURANCE DAILY

Wednesday Evening, March 27, 2013

## ***Electricity***

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### **Exelon Reports Reactor Pressure Boundary Leakage at Its 855 MW Quad Cities Nuclear Unit 1 in Illinois March 26**

Exelon Corp. reported that on March 26, with Quad Cities Unit 1 shut down for refueling, operators identified a leakage, falling at a rate of approximately 20 drops per minute, from the 2-inch reactor head vent line during a Reactor Pressure Vessel (RPV) pressure test, according to a filing with the U.S. Nuclear Regulatory Commission (NRC). Operators stopped the RPV pressure test and depressurized the reactor vessel to examine the piping and associated flange connections. Operators later confirmed the leak originated from a socket weld (i.e., pipe elbow). The cause and resolution were under evaluation. This defect is reportable to the NRC because it is associated with the primary coolant system pressure boundary.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2013/20130327en.html>

### **Update: Licensing Board Upholds NRC's Environmental Impact Statement for Progress Energy's Proposed 2,200 MW Levy Nuclear Power Plant in Florida**

The U.S. Nuclear Regulatory Commission (NRC) on Tuesday announced that the Atomic Safety and Licensing Board (ASLB) has rejected a challenge by the Nuclear Information and Resource Service and the Ecology Party of Florida to Progress Energy's application to license two new nuclear power reactors in Levy County, Florida. Progress Energy has proposed constructing and operating two new 1,100 MW reactors at the Levy nuclear power plant, bringing the first reactor into service in 2024 and the second, 18 months later. The environmental groups claimed the NRC's April 27, 2012 Final Environmental Impact Statement (FEIS) failed to adequately identify and assess the proposed Levy plant's direct, indirect, and cumulative environmental impacts on wetlands and groundwater resources. Progress Energy and the NRC staff argued the FEIS satisfied all of the requirements of the National Environmental Policy Act. Unless appealed, the ASLB decision becomes the NRC's final determination on the environmental issues raised by the environmental groups.

<http://www.nrc.gov/reading-rm/doc-collections/news/2013/13-020.pdf>

### **Explosion, Fire at BPA Substation in Washington Causes No Power Outages March 25**

The Bonneville Power Administration (BPA) is investigating what may have caused an explosion and subsequent fire at its substation near Ravensdale, Washington Monday evening. Emergency responders arrived at the scene around 5:15 p.m. local time Monday and battled the massive fire, which was exacerbated by mineral oil inside the station, until shortly before midnight. Operators took the station completely offline around 11:00 p.m. to allow responders to get close enough to the fire to disperse a special foam agent and take steps to cool the transformer. The substation distributes power from the Grand Coulee Dam to local utility companies around Western Washington, including Puget Sound Energy, Tacoma Power, and Snohomish County Public Utility District. The incident did not cause any power outages.

<http://renton.patch.com/articles/renton-firefighters-boeing-tanker-douse-flames-at-ravensdale-power-station#photo-13792232>

## ***Petroleum***

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### **Update: MDU Resources and Calumet Start Construction on 20,000 b/d Dakota Prairie Refining Diesel Refinery in North Dakota March 26**

MDU Resources Group, Inc. and Calumet Specialty Products Partners, L.P. on Tuesday broke ground to officially begin construction on the Dakota Prairie Refining diesel refinery in Stark County, North Dakota. Construction is expected to take approximately 20 months. The refinery will process 20,000 b/d of Bakken crude oil.

<http://www.mdu.com/News/Pages/NewsArticle.aspx?article=332>

## **ExxonMobil Expects No Impact to Production after Compressor Trip Causes FCCU Emissions at Its 344,500 b/d Beaumont, Texas Refinery March 26**

ExxonMobil Corp. reported a process compressor tripped at its Beaumont refinery on Tuesday, resulting in emissions from the fluid catalytic cracking unit (FCCU) and the FCC flare, according to a filing with the Texas Commission on Environmental Quality. Operators returned the refinery to normal operations within 4 hours and anticipated no impact to production.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=180890>

## **Update: PHMSA Orders Chevron to Complete Corrective Actions Before Restarting Its 29,400 b/d Petroleum Products Pipeline after March 18 Spill in Utah**

The U.S. Pipeline and Hazardous Material Safety Administration (PHMSA) has ordered Chevron Corp. to complete a checklist of corrective actions before restarting a 29,400 b/d petroleum products pipeline that leaked approximately 600 barrels of diesel fuel in Utah's Willard Bay State Park on March 18. The pipeline carries diesel and jet fuel between Chevron's Salt Lake City, Utah refinery and Burley, Idaho. Chevron said a seam failure may have caused the leak, but it was continuing to investigate the cause. PHMSA conducted inspections of the line in April 2011 and September 2012, after which the agency sent a "letter of concern" to Chevron because the company hadn't finished an analysis of why the same pipeline system leaked 22 barrels of oil in April 2010. PHMSA has ordered Chevron to conduct a metallurgical test of the failed pipe, which is 60 years old, and other corrective actions before restarting it.

<http://www.hydrocarbonprocessing.com/Article/3182149/Latest-News/Chevron-recovers-less-oil-than-first-expected-from-Utah-diesel-pipeline-leak.html>

## **Update: PHMSA Says ExxonMobil Failed to Properly Address Risks to 40,000 b/d Silvertip Pipeline Before Crude Oil Spill into Yellowstone River in Montana in 2011**

The U.S. Pipeline and Hazardous Materials Safety Administration (PHMSA) on Monday announced it is initiating an administrative enforcement action with a proposed fine of \$1.7 million to ExxonMobil Pipeline Company as a result of the operator's July 2011 crude oil pipeline failure in the Yellowstone River near Laurel, Montana. The company's 12-inch, 40,000 b/d Silvertip crude oil pipeline in Montana broke on July 1 after flooding scoured the river bed and exposed the pipe, which spilled an estimated 1,509 barrels of oil into the river. PHMSA is alleging that ExxonMobil failed to properly address known seasonal flooding risks to the safety of its pipeline system, and to implement measures that would have mitigated a spill into a waterway. The agency also alleges that ExxonMobil failed to establish written procedures for its staff to take prompt and effective action to protect the Silvertip pipeline from floods and other natural disasters, and to minimize the volume of oil released from any section along the pipeline's system. In addition to the proposed fine, PHMSA issued a proposed compliance order, directing the operator to implement ongoing training for supervisory and control room personnel on emergency response procedures, including reacting to abnormal conditions involving the natural environment surrounding their pipelines and the proper operation of remote control valves.

<http://www.phmsa.dot.gov/portal/site/PHMSA>

## **Natural Gas**

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### **FERC Approves Pre-Filing Request for Magnolia LNG's Proposed LNG Export Facility in the Port of Lake Charles, Louisiana**

The U.S. Federal Energy Regulatory Commission (FERC) on March 20 approved a pre-filing request from Magnolia LNG, LLC for its planned Magnolia Liquefied Natural Gas (LNG) Project. Magnolia LNG plans to construct and operate a new LNG export facility in the Port of Lake Charles, Louisiana. The facilities would consist of two LNG storage tanks, four LNG liquefaction trains, a short pipeline connecting to an existing interstate pipeline, an LNG vessel loading terminal and berth, an LNG truck-loading area, and other ancillary facilities. The facilities would be capable of processing 8 million tons per annum (mtpa) of LNG for export overseas, for use as marine fuel, and to fill LNG trucks for distribution to LNG refueling stations in the region. Magnolia LNG intends to file a full proposal application to FERC in November 2013, and, pending all required approvals, would begin construction in March 2015 and put the project in service in October 2017. In December 2012, Magnolia applied with the U.S. Department of Energy for a 25-year authorization to export the equivalent of about 0.54 Bcf/d of natural gas to countries that have a free trade agreement with the United States.

<http://elibrary.ferc.gov/idmws/common/OpenNat.asp?fileID=13209774>

[http://elibrary.ferc.gov/idmws/search/intermediate.asp?link\\_file=yes&doclist=14097481](http://elibrary.ferc.gov/idmws/search/intermediate.asp?link_file=yes&doclist=14097481)

[http://www.fossil.energy.gov/programs/gasregulation/authorizations/Orders\\_Issued\\_2013/ord3245.pdf](http://www.fossil.energy.gov/programs/gasregulation/authorizations/Orders_Issued_2013/ord3245.pdf)

## Update: PG&E Completes 7 of 12 Safety Recommendations Issued After 2010 San Bruno Accident in California

Pacific Gas and Electric Company (PG&E) on Tuesday announced it has completed an additional 3 of 12 safety recommendations issued by the National Transportation Safety Board (NTSB) in response to the 2010 pipeline accident in San Bruno, California. The utility announced in September 2012 it had accomplished the first 4 safety recommendations. The 3 recently completed recommendations include:

- Validating the maximum allowable operating pressure for its gas transmission pipelines running through high-consequence, populated areas;
- Developing work-clearance procedures, including contingency plans for planned work on the natural gas transmission system; and
- Developing and incorporating written performance measurements and guidelines into the company's Public Awareness Plan.

The utility will continue working to complete the remaining 5 safety recommendations, which will include revisions and improvements to its integrity management program to ensure the safe operation of its pipeline system.

[http://www.pge.com/about/newsroom/newsreleases/20130326/pgampe\\_completes\\_seven\\_ntsb\\_safety\\_recommendations\\_issued\\_after\\_san\\_bruno\\_accident.shtml](http://www.pge.com/about/newsroom/newsreleases/20130326/pgampe_completes_seven_ntsb_safety_recommendations_issued_after_san_bruno_accident.shtml)

## Enbridge Reports Emissions Due to Unspecified Safety Precaution at Its Tilden Gas Plant in Texas March 26

Enbridge reported emissions at its Tilden plant Tuesday were caused when operators had to suddenly stop work performed on condensate tanks as a safety precaution, according to a filing with the Texas Commission on Environmental Quality. The filing doesn't specify what made the safety precaution necessary.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=180907>

## Other News

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Nothing to report.

## International News

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Nothing to report.

## Energy Prices

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U.S. Oil and Gas Prices			
March 27, 2013			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	96.19	92.96	106.98
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	3.99	3.95	2.16

Source: Reuters

## Links

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*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](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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