



ENERGY ASSURANCE DAILY

Friday Evening, March 29, 2013

Electricity

CL&P Details the Costs of Damages Associated with Five Major Storms in 2011 and 2012

Connecticut Light and Power (CL&P) on Thursday announced it has asked the Public Utilities Regulatory Authority to approve the recovery of costs associated with five major storms that hit the state during 2011 and 2012. The storms, including Superstorm Sandy and the October 2011 Nor'easter, were some of the most devastating events in Connecticut history, causing massive damage that in some cases required entire sections of CL&P's electrical distribution system to be completely rebuilt. In its filing on Thursday, CL&P estimates damages from the 2011 and 2012 major storms totaled \$462.3 million, of which the company is seeking \$414 million recovered over a 6-year period. About \$175 million of the total cost is associated with the October 2011 Nor'easter and \$156 million for Superstorm Sandy in 2012. The remaining costs are associated with Tropical Storm Irene in 2011 and two other major storms—in June 2011 and September 2012. These costs include bringing in outside line and tree workers, replacing damaged equipment, and staffing the around-the-clock response effort. In Superstorm Sandy alone, 2,900 outside line workers assisted CL&P crews to replace more than 2,700 poles, more than 2,000 transformers and 105 miles of wire.

<http://nuwnotes1.nu.com/apps/mediarelease/clp-pr.nsf/0/7C653BC36E54C5D485257B3C0060C049?OpenDocument>

Ohio Edison to Spend \$275 Million in 2013 Electric System Upgrades

Ohio Edison, a subsidiary of FirstEnergy Corp., on Thursday announced that it will spend approximately \$275 million in 2013 to further enhance the electrical system and reliability in its northern and central Ohio service areas. Major projects scheduled this year include:

- Completing two new modular substations to serve areas of growing load in Medina County and Portage County. These facilities are expected to be in service before summer begins.
- Completing the new Black River Substation Project in Lorain, which will address system load growth in Lorain, including the new arc furnace load planned at Republic Steel.
- Improving circuit capacity and replacing wires to enhance system operation capabilities.
- Installing improved relays and computer control systems at numerous substations to aid remote monitoring and operations of these stations from Ohio Edison's dispatch center in Akron.
- Inspecting and replacing distribution poles in the Ohio Edison service area.
- Ongoing vegetation management to help reduce tree-related outages.

https://www.firstenergycorp.com/content/fecorp/newsroom/news_releases/ohio-edison-spend-of--275-million-in-2013-designed-to-enhance-el.html

Update: TVA's 1,155 MW Browns Ferry Nuclear Unit 1 in Alabama Ramped Up to 66 Percent by March 29

Browns Ferry 1 is returning from an outage that began March 19, when operators manually scrammed the reactor due to lowering main condenser vacuum, which was caused by a significant leak on the 1C feedwater heater level control line. Operators restarted the reactor by March 28.

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

TMPA to Restart Its 453 MW Gibbons Coal-Fired Unit 1 in Texas March 29

The Texas Municipal Power Authority (TMPA) reported it was planning to begin restarting Gibbons Unit 1 Friday afternoon, according to a filing with the Texas Commission on Environmental Quality. The filing doesn't say why the unit was shut down.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=180511>

EPA Proposes Cleaner Fuels and Cars Standard

The U.S. Environmental Protection Agency (EPA) today proposed cleaner fuels and cars standards intended to reduce pollution while also enabling efficiency improvements in cars and trucks. The proposed standards will reduce gasoline sulfur levels by more than 60 percent—down to 10 parts per million (ppm) in 2017. Reducing sulfur in gasoline enables vehicle emission control technologies to perform more efficiently. The proposed standards will work together with California's clean cars and fuels program to create a harmonized nationwide vehicle emissions program that enables automakers to sell the same vehicles in all 50 states. The proposal is designed to be implemented over the same timeframe as the next phase of EPA's national program to reduce greenhouse gas (GHG) emissions from cars and light trucks beginning in model year 2017. Once published in the *Federal Register*, the proposal will be available for public comment and EPA will hold public hearings to receive further public input. <http://yosemite.epa.gov/opa/admpress.nsf/0c0affede4f840bc8525781f00436213/eb163eb6d4c6c53585257b3d004cb646!OpenDocument>

Update: Kinder Morgan to Add 50,000 b/d of Throughput Capacity at Its Condensate Processing Facility Under Construction on the Houston Ship Channel

Kinder Morgan Energy Partners, L.P. on Thursday announced it has entered into a long-term, fee-based agreement with BP North America to underwrite an additional 50,000 b/d of throughput capacity at the petroleum condensate processing facility Kinder Morgan is constructing near its Galena Park terminal on the Houston Ship Channel. With the new agreement, Kinder Morgan will add a second unit to its previously announced condensate processing facility and increase the facility's total capacity to 100,000 b/d. The company will also build an additional 700,000 barrels of storage capacity for product being split at the facility. Kinder Morgan's processing facility will split condensate into its various components, such as light and heavy naphtha, kerosene, diesel and gas oil, and can be further expanded pending additional market interest. Kinder Morgan previously announced the first phase of its processing facility when it secured the initial commitment of 25,000 b/d of capacity. The company expects to place the first unit in service in the first quarter of 2014. The recently completed 300,000 b/d Kinder Morgan Crude Condensate pipeline will transport crude and condensate from the Eagle Ford Shale in South Texas to the Houston Ship Channel. The second phase of the project is scheduled for completion in the second quarter of 2015. <http://phx.corporate-ir.net/phoenix.zhtml?c=119776&p=irol-newsArticle&ID=1801442>

Imperial Oil Returning Coker to Normal Operations at Its 121,000 b/d Sarnia, Ontario Refinery March 28

Imperial Oil Ltd. said it was returning a coker unit to normal operations at its Sarnia refinery on Thursday, according to a message posted on a community information telephone line. Operators said the restart might cause excessive flaring.

Reuters, 16:12 March 28, 2013

Natural Gas

Atlas Pipeline Shuts Compressor Due to a Coolant Leak at Its 195 MMcf/d Midkiff Gas Plant in Texas March 28

Atlas Pipeline reported emissions at its Midkiff plant after operators were forced to shut a compressor down due to a coolant leak, according to a filing with the Texas Commission on Environmental Quality.

<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=180983>

Southern Reports Flaring after Compressors Shut Down During Pigging Procedures at Its 140 MMcf/d Keystone Gas Plant in Texas March 28

Southern Union Gas Services reported flaring at its Keystone plant on Thursday was caused when field compressors shut down during pipeline pigging procedures, according to a filing with the Texas Commission on Environmental Quality.

<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=180987>

Control Board Failure Shuts ExxonMobil's 135 MMcf/d Salt Creek Gas Plant in Texas March 26

ExxonMobil reported its Salt Creek plant shut down Tuesday night due to a mechanical failure on the distributed control system, which caused operations to lose all compression and pump systems throughout the facility, according to a filing with the Texas Commission on Environmental Quality. Operators cut back on inlet to the plant to reduce emissions during repairs, which were ongoing at the time of the filing.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=180920>

Other News

Nothing to report

International News

Update: Flow Resumes on 350,000 b/d Kirkuk-Ceyhan Crude Oil Pipeline by March 29 Leak Repairs

The Kirkuk-Ceyhan pipeline resumed flows early on Friday after a halt due to a leak on Tuesday, according to a Turkish official. The pipeline carries about 350,000 b/d from Iraq's northern oilfields to the Turkish port of Ceyhan. Officials said exports were not affected because there was enough crude in storage at Ceyhan to continue loading ships.

<http://www.dailystar.com.lb/News/Middle-East/2013/Mar-29/211905-iraqi-oil-flow-resumes-on-pipeline-to-turkey-turkish-official.ashx#axzz2OwKsLd00>

Update: Protesters End Blockade of Waha Oil's 120,000 b/d Gialo Oil Field in Libya after Ministry Resolves Demands for Jobs March 29

Libyan protesters have ended a nearly 3-week blockade of an oil and gas field belonging to Waha Oil Co. after the Oil Minister resolved their demands for jobs, a company official said on Friday. Protesters on March 11 began blocking the entrance to Waha's Gialo oil field, affecting drilling and output. The field produces 120,000 b/d of oil and 70 MMcf/d of natural gas.

Reuters, 10:48 March 29, 2013

Energy Prices

U.S. Oil and Gas Prices			
March 29, 2013			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	97.24	92.59	103.46
NATURAL GAS Henry Hub \$/Million Btu	4.03	4.01	2.05

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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