



ENERGY ASSURANCE DAILY

Tuesday Evening, April 16, 2013

Electricity

Update: Dominion to Shut Its 566 MW Kewaunee Nuclear Power Plant in Wisconsin on May 7

Dominion Resources Inc. told the U.S. Nuclear Regulatory Commission (NRC) that it plans to shut the Kewaunee nuclear power plant in Wisconsin on May 7. Dominion had previously announced its intention to close the plant, citing economic reasons related in part to low natural gas prices, which have driven power prices to decade lows. The NRC on Monday announced it will hold a public meeting April 24 near the Kewaunee plant to discuss Dominion's plan to shut the reactor.

<http://www.nrc.gov/reading-rm/doc-collections/news/2013/13-027.pdf>

<http://www.reuters.com/article/2013/04/15/utilities-dominion-kewaunee-idUSL2N0D21Q820130415?type=companyNews&feedType=RSS&feedName=companyNews&rpc=43>

Update: Progress Energy's 710 MW Robinson Nuclear Unit 2 in South Carolina at Full Power by April 16

On the morning of April 15 the unit was operating at 78 percent.

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

Xcel Energy Proposes Adding Three 215 MW Natural Gas-Fired Peaking Units in Minnesota and North Dakota to Meet Customers' Future Electricity Needs

Xcel Energy on Monday proposed adding up to three natural gas-fired peaking units in Minnesota and North Dakota as the best way to meet customers' needs during times of high electricity demand. The proposal was submitted in response to proceedings before the Minnesota Public Utilities Commission on Xcel Energy's Upper Midwest Resource Plan. Those proceedings concluded the company will need to add 150 MW of new power resources in 2017 and up to another 350 MW by 2019. Specifically, Xcel Energy proposes placing a 215 MW combustion turbine in service in 2017 at its Black Dog plant in Burnsville, Minnesota, substantially replacing the plant's coal-fired generating capacity, which is scheduled to be retired in 2015. The second and third 215 MW megawatt combustion turbines, if needed, would be located at a yet-to-be selected site near Hankinson, North Dakota and placed in service in 2018 and 2019. The units would take advantage of nearby transmission and natural gas lines. Today's filing in Minnesota includes a request for a Certificate of Need for the Burnsville unit. A filing also is being made with the North Dakota Public Service Commission seeking approval for the two units proposed in that state.

<http://www.xcelenergy.com/About Us/Energy News/News Releases/ci.Xcel Energy proposes adding natural gas units to meet customers' future electricity needs.org>

Petroleum

Update: Chevron Delays Restarting CDU at Its 245,271 b/d Richmond, California Refinery Until April 20 – Source

Chevron Corp. has delayed restarting a crude distillation unit (CDU) at its Richmond refinery, according to a source familiar with operations. The plant's only crude unit has been shut since a fire on August 6, 2012, and had been expected to restart last week. The unit is now scheduled to restart April 20. The refinery has been producing motor fuels at about 50 percent of capacity during repairs.

<http://www.bloomberg.com/news/2013-04-15/san-francisco-gasoline-premium-widens-as-chevron-restart-delayed.html?cmpid=yhoo>

Update: Chemical Safety Board Calls for Tougher Rules for Refineries in Wake of August 2012 Fire at Chevron's Richmond, California Refinery

The U.S. Chemical Safety Board (CSB) on Monday released an interim investigative report on the August 6, 2012 fire at Chevron's Richmond refinery, which was caused by a corroded pipe that failed and released a vapor cloud. The board's investigation found that Chevron's own technical staff made at least six recommendations since 2002 to increase inspections or upgrade equipment in the crude distillation unit containing the 1970s-era pipe that eventually failed. The board recommended that the City of Richmond and Contra Costa County strengthen process safety programs over refineries under their jurisdiction; and that Federal, State, and local worker safety and environmental protection agencies conduct joint inspections of refineries and chemical plants. It also recommended those agencies participate in the new safety regulation program recommended for California. Chevron said it was working with the CSB to make changes to its process hazard analysis program, and that it will check for ongoing damage to pipes and equipment at its U.S. refineries and improve its inspection procedures.

Reuters, 18:06 April 15, 2013

<http://finance.yahoo.com/news/board-calls-tougher-rules-refineries-201456379.html>

http://www.csb.gov/assets/1/16/Draft_Report_for_Public_Comment.pdf

<http://www.csb.gov/csb-announces-april-19-public-meeting-in-richmond-california/>

Update: Motiva Says Restart Procedures at Its 600,000 b/d Port Arthur, Texas Refinery to Take 'Several Days'

Motiva Enterprises reported it was in the early process of preparing units for restart at its Port Arthur refinery on Monday, and that restart procedures would take several days to complete following an unexpected loss of power Sunday from its utility provider Entergy Corp. A short circuit at Entergy's Kolbs substation in Port Arthur Sunday morning cut power to thousands of customers in the area, including local refineries operated by Motiva, Valero Energy Corp., and Total Petrochemicals USA Inc. All three of these refineries reported operational upsets and emissions resulting from the incident, and all were working to restart units beginning Sunday and Monday.

Reuters, 18:56 April 15, 2013

<http://www.foxbusiness.com/news/2013/04/16/shell-motiva-port-arthur-refinery-restart-to-take-several-days/>

Chalmette Refining Isolates Exchanger Due to Lube Oil Leak at Its 192,500 b/d Chalmette, Louisiana Refinery April 15

Chalmette Refining LLC isolated an exchanger after discovering a leak of lubricating oil at its Chalmette refinery on Monday, according to a filing with the U.S. National Response Center. Lubricating oil was found in the boundary of a unit, the filing said.

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1044066

Citgo Reports Propane Release from Leaking Pipeline Near Its 429,500 b/d Lake Charles, Louisiana Refinery April 15

Citgo Petroleum Corp. reported it was repairing a pin-hole leak on a pipeline that had caused the release of an unspecified quantity of propane mixture at Westlake, Louisiana, which borders Lake Charles, according to a filing with the U.S. National Response Center on Monday.

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1044053

Compressor Trip Causes Sulfur Dioxide Release at Phillips 66's 362,000 b/d Wood River, Illinois Refinery April 15

Phillips 66 reported a compressor tripped offline at its Wood River refinery on Monday, causing a release of sulfur dioxide, according to filing with the Illinois Emergency Management Agency.

Reuters, 04:00 April 16, 2013

Update: Shell Says About 522 Barrels of Oily Liquid Have Been Recovered after Spill from Its 16-Inch West Columbia, Texas Crude Oil Pipeline

Shell Pipeline Co. reported Monday that about 522 barrels of oil and water mixture has been recovered from the site where its 16-inch West Columbia crude oil pipeline in east Houston leaked, according to a spokeswoman. Shell shut the 15-mile pipeline on March 29 after alarms indicated a possible breach. The pipeline transports crude from an Enterprise Products terminal in Genoa to Magellan Midstream Partners' East Houston Tank Farm. Shell reported on April 8 that 940 barrels of crude were estimated to have leaked near Vince Bayou. Shell said Monday that a response vessel monitoring Vince Bayou had been demobilized after an assessment determined there was no substantial threat of discharge into the navigable waterways.

Reuters, 14:43 April 15, 2013

Southern Union Shuts Unit for Repairs at Its 140 MMcf/d Keystone Gas Plant in Texas April 15

Southern Union Gas Services reported it was flaring low pressure gas at its Keystone plant Monday after operators shut Unit 20 to repair second-stage discharge valves.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=181688>

Cracked Power Cylinder Shuts Gas Compressor at ExxonMobil's 135 MMcf/d Salt Creek Gas Plant in Texas April 12

ExxonMobil Corp. reported that during normal operations, its No. K-3403 low-pressure inlet gas compressor shut down on high engine vibration Friday morning, according to a filing with the Texas Commission on Environmental Quality. Operators investigating the incident discovered a crack in the No. 2 power cylinder, which had allowed water into the cylinder, causing the vibration. Operators expected emissions related to the incident to continue until Monday night.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=181573>

Enbridge Restarts Its Tilden Gas Plant in Texas After an Electrical Malfunction Shuts Plant April 15

Enbridge reported its Tilden plant was shut-in after operators de-energized the wrong breaker on Monday, according to a filing with the Texas Commission on Environmental Quality. While operators were working to bring the plant back online some of the main solution pumps had trouble restarting. Emissions related to this incident lasted for an hour and 15 minutes, according to the filing.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=181667>

Other News

Update: Enterprise Offering Additional Capacity on Aegis Ethane Pipeline System in Texas and Louisiana

Enterprise Products Partners L.P. on Monday announced the start of a supplemental binding open commitment period to determine additional shipper demand for capacity on and the size of the previously announced Aegis pipeline. Aegis is a new 270-mile pipeline system designed to transport purity ethane from Enterprise's Mont Belvieu, Texas liquids storage complex to petrochemical facilities in Texas and Louisiana. Enterprise has already received sufficient commitments to move forward with the project, which is scheduled to begin commercial operations in 2014, but continues to receive interest from potential shippers. The final design of the pipeline, including capacity and delivery points, will be determined based on binding agreements negotiated at the conclusion of the supplemental binding open commitment period.

<http://phx.corporate-ir.net/phoenix.zhtml?c=80547&p=irol-newsArticle&ID=1806963>

International News

Update: Output at Chevron's Frade Offshore Field in Brazil Seen to Restart at 20,000 b/d, Behind Pre-Spill Levels for Lack of Injection – Regulator

Brazil's oil regulator, the ANP, on Monday said that it expects Chevron Corp. to restart output from its offshore Frade field northeast of Rio de Janeiro at a rate of about 20,000 b/d, significantly below the 70,000 b/d output the field had been producing prior to a November 2011 oil spill. Chevron suspended operations at the field in March 2012 after a second spill occurred. The ANP on April 8 announced it had approved Chevron and its partners to restart output at Frade, but production has yet to begin. Final documents allowing a restart were issued Monday. The ANP expects the reduced rate of production because Chevron and its partners have not been given permission to use water or gas injection to increase the flow of oil from the reservoir, because previous use of such methods had caused small leaks in the well walls.

<http://www.reuters.com/article/2013/04/15/brazil-oil-chevron-idUSL2N0D21Y620130415?feedType=RSS&feedName=marketsNews&rpc=43>

Update: First South Sudan Oil Reaches Sudan by April 14 – Ministry

Sudan's oil ministry said Sunday that the first crude from South Sudan reached its territory. South Sudan on April 6 restarted production at the Thar Jath Field in Unity State, after a shutdown of more than a year due to a dispute over transit fees that has halted the flow of 350,000 b/d since January 2012. A ministry official said he hoped the first oil would within a week begin moving into a pipeline that would transport the supply to the export terminal at Port Sudan on the Red Sea. He said it would take about 45 days to reach that export terminal.

<http://www.africareview.com/Business---Finance/First-South-Sudan-oil-reaches-Sudan/-/979184/1749116/-/ajek4g/-/index.html>

Logistical Issues, Payment Disputes Halt Iraqi Oil Export Growth – Industry Sources

Pipeline bottlenecks at Iraq's southern ports and other logistical issues are preventing the country from increasing oil exports, Iraqi and Western oil industry sources have said. In December Baghdad announced a 2013 export target of 2.9 million barrels per day (MMb/d), up 500,000 b/d from last year. Bad weather was cited for delays at the start of the year, but now logistical issues including limitations on the pumping capacity to the southern export facilities and storage constraints, as well as a payment dispute between the Kurdistan Regional Government and the central government in Baghdad, are all likely to keep exports close to 2.4 MMb/d—the average for 2012—through the first half of this year.

<http://www.reuters.com/article/2013/04/12/iraq-oil-exports-idUSL5N0CY33L20130412?type=companyNews&feedType=RSS&feedName=companyNews&rpc=43>

Update: Plans Stall on Project to Build Crude Oil Pipeline from Iraq to Egypt

The Iraqi Embassy in Cairo said there are no plans to build an oil pipeline from Iraq to Egypt. The Egyptian government in March said it was committed to a project that would extend an oil pipeline from Iraq through Jordan to Egypt, where refineries would process the Iraqi crude. The Iraqi Embassy confirmed a deal was signed between Cairo and the Iraq State Company for Oil Projects, but it has yet to receive any official communications from Baghdad regarding their plans.

<http://www.upi.com/2013/04/15/Plans-stall-on-Iraqi-pipeline-to-Egypt/UPI-28471366033421/>
<http://www.dailynewsegypt.com/2013/04/14/iraqi-embassy-no-further-plans-for-egypt-pipeline/>

Energy Prices

U.S. Oil and Gas Prices			
April 23, 2013			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	88.15	94.19	102.20
NATURAL GAS Henry Hub \$/Million Btu	4.23	4.18	1.87

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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