



ENERGY ASSURANCE DAILY

Friday Evening, April 19, 2013

Electricity

Update: Exelon Terminates Unusual Event at Its LaSalle Nuclear Power Plant in Illinois after Restoring Offsite Power April 18; Both Units Remain Shut for Inspection April 19

Exelon Generation on Thursday morning terminated an Unusual Event declaration it had made at its LaSalle County Generating Station Wednesday afternoon, when both units at the station automatically shut down due to a loss of offsite power. An apparent lightning strike damaged insulators in the switchyard, interrupting power to the two reactors. Operators reenergized power to the switchyard Thursday. The station's five backup diesel generators had provided electricity to the site until offsite power was restored. Both Unit 1 and Unit 2 remained offline Friday as operators performed multiple safety checks and followed procedures to return both units to service. Operators reported they had discovered three pinhole leaks in the Unit 2 High Pressure Core Spray System (HPCS) minimum flow valve flow line, between the minimum flow valve and the Primary Containment Suppression Pool in the reactor Building Raceway, according to a filing with the U.S. Nuclear Regulatory Commission. Unit 2 will remain shut down until repairs are made to the HPCS line leak.

http://www.exeloncorp.com/Newsroom/20130418_nuclear_LaSalleTerminatesUnusualEvent.aspx

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2013/20130419ps.html>

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2013/20130419en.html>

Update: Severe Thunderstorms Cut Power to 103,000 Utility Customers in Illinois and Michigan April 18; Nearly 14,000 Remain Without Power April 19

Utilities in Chicago and southern Michigan worked to restore power to customers affected by severe thunderstorms Thursday, when about 75,000 DTE Energy customers and 7,000 Consumer's Energy customers in Michigan and 21,000 ComEd customers in Chicago lost power. Heavy rainfall continued in Michigan today, hampering restoration efforts. As of 3:30 p.m. EST today, 5,095 DTE customers, 3,694 Consumers Energy customers, and 5,169 ComEd customers remained without power.

<http://www.dteenergy.com/map/outage.html>

<http://www.consumersenergy.com/outagemap>

<https://www.comed.com/layouts/comedsp/OutageMap.aspx>

<http://www.freep.com/article/20130419/NEWS/304190092/weather-snow-flooding-power-out>

<http://chicago.cbslocal.com/2013/04/18/storm-leaves-24000-comed-customers-without-power/>

<http://Crews-work-to-restore-power-to-thousands-in-Michigan-following-severe-thunderstorms.html>

California May Face Regional Power Shortages This Summer Due to Idled San Onofre Nuclear Power Plant and Low Hydroelectric Output – Analysts

California may face regional power shortages this summer due to idled nuclear reactors and low hydroelectric output, analysts said. The California Independent System Operator has said it's planning for tight resources this summer, especially in parts of Southern California, which will be operating without Southern California Edison's San Onofre nuclear power plant. Both reactors at the San Onofre plant have been shut since January 2012 due to premature tube wear on the units' steam generators. Hydroelectric generation helped make up for the lost nuclear output in the Los Angeles basin last year, but hydroelectric output this summer is expected to fall to a 3-year low. Final snowpack measurements, which are used to predict the output at hydropower dams, will be 45 percent to 50 percent of normal, according to the California Department of Water Resources. Low water levels in the U.S. Northwest may also cut electricity exports to California this summer, according to the Bonneville Power Administration.

<http://www.bloomberg.com/news/2013-04-19/california-power-facing-biggest-test-since-enron-energy-markets.html?cmpid=yhoo>

FERC Proposes to Adopt New Cyber Security Standards to Protect Electric Grid

The U.S. Federal Energy Regulatory Commission (FERC) on Thursday announced plans to help strengthen the cyber security of the bulk electric system with a proposed rule that would extend the scope of the systems that are protected by cyber security standards. The proposal, submitted in January 2013 by the North American Electric Reliability Corporation, constitutes version 5 of the Critical Infrastructure Protection Reliability Standards, or CIP standards. The Commission is seeking comment on certain language in the proposed CIP version 5 Standards to alleviate concerns regarding the potential ambiguity and, ultimately, enforceability of the proposed Standards.

<http://www.ferc.gov/media/news-releases/2013/2013-2/04-18-13-E-7.asp>

<http://www.bloomberg.com/news/2013-04-18/cybersecurity-standards-for-electric-grid-seen-expanding.html?cmpid=yahoo>

Petroleum

Update: ExxonMobil Halts Hydrotreater Overhaul at Its 344,500 b/d Beaumont, Texas Refinery after Fire April 17 – Sources

ExxonMobil Corp. has halted the overhaul of a hydrotreater at its Beaumont refinery while operators investigate the circumstances of a fire that broke out on the unit Wednesday, sources familiar with refinery operations said Thursday. The unit had been down while for maintenance at the time of the flash fire, which occurred as workers were cutting into a heat exchanger on the hydrotreater. The U.S. Occupational Safety and Health Administration is also onsite investigating the incident, the sources said.

<http://www.reuters.com/article/2013/04/18/refinery-operations-exxon-beaumont-idUSL2N0D51XX20130418?feedType=RSS&feedName=rbssEnergyNews&rpc=43>

Update: BP Delays 130,000 b/d Mad Dog Phase 2 Oil Project in U.S. Gulf of Mexico, Citing Rising Costs

BP Plc announced it is delaying its development of the Mad Dog oilfield in the Gulf of Mexico, citing rising costs due largely to changing market conditions and industry inflation. The company said it fully intends to develop the latest phase of the project, Mad Dog Phase 2, but that it will reevaluate how to do so, along with co-owners Union Oil Company of California, a wholly owned subsidiary of Chevron Corp., and BHP Billiton Petroleum. The Mad Dog oilfield has been estimated to hold up to 4 billion barrels of oil equivalent (boe). Phase 2 includes the development of a second spar facility with all subsea production and injection wells. The new facility is estimated to have a design capacity of approximately 130,000 b/d that will be exported via the Mardi Gras Pipelines under existing agreements. Project developers had previously announced they would make a final investment decision on the project in 2013, with first production scheduled for 2018.

<http://www.reuters.com/article/2013/04/19/bp-mad-dog-idUSL5N0D61XP20130419?feedType=RSS&feedName=mergersNews&rpc=43>
http://www.rigzone.com/news/article.asp?a_id=116837

Natural Gas

Update: Inergy Midstream, Partners Suspend Plans to Build 800 MMcf/d Commonwealth Natural Gas Pipeline Project in Pennsylvania

Inergy Midstream LP, UGI Energy Services Inc., and WGL Holdings Inc. announced they are indefinitely suspending a project to build a 120-mile, 30-inch natural gas pipeline in eastern Pennsylvania, without specifying a reason why. The Commonwealth Pipeline was to have carried natural gas from a deposit in the Marcellus Shale in Lycoming County to Chester County, Pennsylvania. The developers in September 2012 announced they had executed binding agreements for firm transportation capacity to support a 800 MMcf/d pipeline, and that they hoped to place the line into service by 2015.

<http://finance.yahoo.com/news/plans-suspended-120-mile-gas-163413267.html>

Regency Reports AGI Compressor Shutdown at Its 290 MMcf/d Waha Gas Plant in Texas April 16

Regency Energy Partners reported an acid gas injector (AGI) compressor shut down on fourth-stage scrubber level Tuesday afternoon, 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=181791>

Power Loss Shuts Two AGI Units at Enbridge's Tilden Gas Plant in Texas April 17

Enbridge reported that the No. 1 acid gas injector (AGI) unit at its Tilden plant shut down on a compressor motor fault Wednesday afternoon due to a power upset, according to a filing with the Texas Commission on Environmental Quality. Both instrument air compressors also went offline, causing additional gas processing to fault and the No. 2 AGI unit to shut on low suction.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=181806>

Other News

Nothing to report.

International News

Update: Shell Shuts 150,000 b/d Nembe Oil Pipeline in Nigeria for Repairs April 17; Lifts Force Majeure on Natural Gas Supplies to the NLNG Export Terminal April 17

Royal Dutch Shell Plc on Wednesday declared force majeure on its Bonny Light crude oil exports after shutting the 150,000 b/d Nembe Creek oil pipeline in Nigeria to clear illegal oil-tapping points on the line. Shell had previously announced it intended to shut the pipeline for 9 days in April to clear the taps. Separately, the Shell Petroleum Development Company (SPDC) said it had lifted the force majeure it had declared on natural gas supplies to the country's 22 million-ton-per-annum Nigeria Liquefied Natural Gas (NLNG) export terminal, effective April 17. Operators declared force majeure on February 5 due to a leak on a major gas trunkline. Investigators later determined thieves had drilled a hole in a pipeline leading to the terminal. Operators repaired the leak and resumed transport of natural gas supplies. Some 144,000 barrels of oil equivalent a day of SPDC production was deferred over the shut-in period.

Reuters, 05:03 April 18, 2013

<http://finance.yahoo.com/news/shell-shuts-down-nigeria-oil-214848199.html>

<http://www.foxbusiness.com/news/2013/04/18/shell-declares-force-majeure-on-bonny-crude-exports/>

Energy Prices

U.S. Oil and Gas Prices			
April 19, 2013			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	87.87	90.55	102.71
NATURAL GAS Henry Hub \$/Million Btu	4.42	4.11	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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