



ENERGY ASSURANCE DAILY

Thursday Evening, June 21, 2012

Electricity

Heat Wave Continues across U.S. Mid-Atlantic and Northeast June 21; Sparks Brownouts in New York City, Scattered Power Outages

A heat wave across the U.S. Mid-Atlantic and Northeast continued today, causing brownouts in parts of New York City and scattered power outages in the region. Con Edison reduced voltage by 5 percent in some neighborhoods in Queens and Brooklyn since Wednesday evening due to problems on electrical equipment, and it has asked customers to curtail their use of non-essential appliances. The voltage reductions were done as a precaution to protect equipment and maintain service as crews work to repair problems, the utility said in a release. High demand for electricity resulted in scattered power outages in the region. Con Edison reported about 600 of its customers in Queens, Brooklyn, and the Bronx had no power early Thursday, and the Public Service Electric and Gas Co. reported 9,000 customers were without power Wednesday night, most of them in Hudson County, where an underground cable failed. The utility restored power to most of these customers by 9:30 PM local time yesterday. Reuters, 18:17 June 20, 2012

<http://www.coned.com/newsroom/>

<http://www.reuters.com/article/2012/06/21/usa-heatwave-idUSL1E8HL2A320120621?type=companyNews&feedType=RSS&feedName=companyNews&rpc=43>

<http://clark.patch.com/articles/pseg-update-on-power-outages-plus-ways-to-save-electricity>

http://www.pseg.com/home/customer_service/outage_info/outagemap.jsp

Heavy Smoke from Poco Wildfire Trips Two 500-kV Transmission Lines in Arizona June 19; Lines Re-Energized by June 21

The Poco Fire, which broke out near Young, Arizona a week ago, on Tuesday spread under a portion of twin 500-kV electrical transmission lines owned by Arizona Public Service and Salt River Project (SRP), which provide energy to the Phoenix and Tucson metropolitan areas. Heavy smoke on Tuesday night automatically tripped the lines. Firefighters constructed a fireline east of the fire as part of a planned burnout operation to avoid further damage. An SRP spokeswoman reported there were no power disruptions as of Wednesday morning, despite the transmission line outages and temperatures as high as 110 degrees in the region. She said the low humidity this time of year tends to lessen the demand for electricity, and the utility had other resources to tap into. The lines were secured and re-energized by Thursday afternoon, according to local reports.

<http://www.inciweb.org/incident/2911>

<http://www.kjzz.org/content/1206/power-lines-path-poco-fire>

<http://www.kpho.com/story/18846983/firefighters-continue-to-battle-blaze-outside-of-young>

Update: SCE Confirms Cause of Unusual Tube Wear at San Onofre Nuclear Generating Station in California during Public Meeting

Southern California Edison (SCE) reported yesterday that after completing more than 60,000 tests on the steam generator tubes at the San Onofre Nuclear Generating Station Units 2 and 3, operators confirmed that the cause of the unexpected tube-to-tube wear is "fluid elastic instability," or excessive tube vibration. SCE will work with Mitsubishi Heavy Industries, the steam generator manufacturer, and other steam generator vendors to determine appropriate intermediate and long-term solutions to the problem. Both units will remain shut until SCE and the U.S. Nuclear Regulatory Commission are satisfied that they are safe to operate. Unit 2 has remained shut since January 9, when it was taken out of service for a planned outage. Unit 3 was taken off line January 31 after station operators detected a leak in a steam generator tube.

<http://www.edison.com/pressroom/pr.asp?bu=&year=0&id=7957>

Update: PPL Discovers Source of Small Leak at Its 1,105 MW Susquehanna Nuclear Unit 1 in Pennsylvania June 19; Cannot Say When the Unit Will Return to Service after Repairs

PPL Corp. found the source of a small leak it detected Tuesday morning inside the containment structure that surrounds the Unit 1 reactor and will fix it soon, but the utility could not say when the unit would return to service, a plant spokesman said Thursday. Operators shut the unit Tuesday to investigate the source of the leak. Later that night, operators discovered the leakage location at a welded joint on the 'A' reactor recirculation piping where a 4-inch blank-flanged pipe for chemical decontamination connects to the 28-inch pipe, according to a filing with the U.S. Nuclear Regulatory Commission. Workers removed some insulation to find the leak and were preparing to fix it, the spokesman said without specifying a timeline. Some power traders guessed the unit would return over the weekend. Unit 2 continues to operate at full power.

Reuters, 10:43 June 21, 2012

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2012/20120620en.html>

Update: Entergy's 813 MW FitzPatrick Nuclear Unit in New York at Full Power by June 21

Entergy Corp's FitzPatrick nuclear unit is returning from a reduction in power that began Tuesday, when operators manually powered the unit down to 50 percent to allow workers to install a plug to stop lake water intrusion.

Reuters, 09:38 June 20, 2012

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2012/>

Exelon's 1,163 MW Byron Nuclear Unit 1 in Illinois Reduced to 83 Percent by June 21

On the morning of June 20 the unit was operating at full power.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2012/>

Update: FirstEnergy's 1,235 MW Perry Nuclear Unit 1 in Ohio Ramped Up to 70 Percent by June 21

On the morning of June 20 the unit was operating at 57 percent.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2012/>

Update: Xcel's 522 MW Prairie Island Nuclear Unit 1 in Minnesota at Full Power by June 21

On the morning of June 20 the unit was operating at 43 percent.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2012/>

PG&E's 407 MW Helms Hydro Unit 1 in California Shut by June 20

The unit entered an unplanned outage.

<http://content.aiso.com/unitstatus/data/unitstatus201206201515.html>

Petroleum

Update: Enbridge Restarts 345,000 b/d Athabasca Pipeline June 19 after Spill at Its Elk Point Oil Pumping Station in Alberta

Enbridge Inc. restarted its Athabasca oil sands pipeline late on Tuesday after isolating a leak at the Elk Point oil pumping station in northeastern Alberta. The failure of a flange gasket at the pumping station on Monday caused approximately 1,400 barrels of oil to spill. The Energy Resources Conservation Board (ERCB) ordered the company to shut the line Tuesday while the incident was under investigation, but Enbridge was permitted to restart the line late that night, bypassing the pumping station. The pipeline was flowing at about 280,000 b/d on Wednesday, which is 65,000 b/d under capacity. A spokesman said in an email the station will remain on bypass until the site is cleaned, the terms of the return to work plan met, and the ERCB gives approval to restart the station. The 540-km (335-mile) line carries oil to Hardisty, Alberta, from the tar sands center of Fort McMurray. Hardisty is a major pipeline hub from which crude gets fed into networks of export lines to the United States, such as Enbridge's mainline and TransCanada Corp's Keystone Pipeline.

<http://in.reuters.com/article/2012/06/20/enbridge-spill-idINL1E8HK5CV20120620>

Sunoco Announces 350,000 b/d Permian Express Project to Increase Crude Oil Flow from West Texas to Gulf Coast Markets

Sunoco Logistics Partners L.P. announced yesterday its new Permian Express project, which will transport West Texas crude oil to Gulf Coast markets. For Permian Express Phase I, Sunoco Logistics will offer approximately 150,000 b/d of crude oil service from Wichita Falls, Texas to the Nederland/Beaumont, Texas markets. Sunoco Logistics will reverse its Wortham-to-Wichita Falls pipeline to create continuous pipeline service from Wichita Falls to Nederland, including utilizing excess capacity on the southern leg of the West Texas Gulf pipeline system. Permian Express Phase I is expected to be operational within 6–9 months, with an initial capacity of 90,000 b/d, and full capacity of 150,000 b/d is expected within 12–18 months. Sunoco plans to launch an open season for Phase I within a week. For Permian Express Phase II, Sunoco could twin a 300-mile pipeline, parallel to the existing West Texas Gulf pipeline, from Colorado City to Wortham, where it could connect to the existing excess capacity of the southern leg of the West Texas Gulf pipeline system. Permian Express Phase II could have initial takeaway capacity of approximately 200,000 b/d, and it could be operational in the second half of 2014.

<http://www.sunocologistics.com/Investors/News-Releases/44/>

Update: Motiva Acknowledges the 325,000 b/d CDU at Its 600,000 b/d Port Arthur, Texas Refinery Could Remain Shut for ‘Several Months’ Due to Corrosion Problems

Motiva Enterprises LLC on Wednesday publically acknowledged a potentially long-term outage of the new 325,000 b/d crude distillation unit (CDU) at its Port Arthur refinery, confirming the unit has been impacted by corrosion problems and has shut down, according to a spokeswoman. Operators shut the CDU after a fire on June 9, just 9 days after it was officially commissioned. While the fire damage was negligible, operators have discovered extensive corrosion in the CDU’s vessels and piping. The spokeswoman said the new crude unit may remain shut for several months, but all other expansion units were fully operational, though some were running at reduced throughput. Sources familiar with refinery operations said operators were also shutting a catalytic reformer and a catalytic feed hydrotreater on Wednesday because of a lack of feedstock due to the shutdown of the new CDU. The original 275,000 b/d of distillation capacity at the refinery continues to operate as planned.

Reuters, 21:57 June 20, 2012

Reuters, 18:36 June 20, 2012

<http://af.reuters.com/article/energyOilNews/idAFL1E8HL2TI20120621>

Update: Western Refining Says Crude Unit Should Return to Normal Operations after Upset at Its 122,000 b/d El Paso, Texas Refinery June 20

Western Refining said operators should return a crude unit to normal operations after an upset at its El Paso refinery on Wednesday. The refinery reported a north crude unit upset occurred Wednesday morning, according to a filing with the Texas Commission on Environmental Quality.

Reuters, 12:41 June 20, 2012

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=169970>

ERCB Reports Show 7 Percent Growth in Conventional Crude Oil Production and Revised In-Place Estimates of Four Bitumen Deposits

The Energy Resources Conservation Board (ERCB) has released *Alberta’s Energy Reserves 2011 and Supply/Demand Outlook 2012–2021*, which outlines the state of reserves and the supply and demand outlook for Alberta’s energy resources, including crude bitumen, crude oil, natural gas, natural gas liquids, coal, and sulphur. In 2011, Alberta’s crude oil production totaled 490,000 b/d of oil per day, with a yearly total of 179 million barrels. This is a 7 percent increase from 2010, the first rise in production since 1995. This increase is due to the higher production rates of horizontal wells. The ERCB forecasts Alberta’s annual raw crude bitumen production will total 3.7 MMb/d for a total of 1.35 billion barrels per year by 2021.

www.ercb.ca

http://www.ercb.ca/portal/server.pt/gateway/PTARGS_0_0_303_263_0_43/http%3B/ercbContent/publishedcontent/publish/ercb_home/news/news_releases/2012/nr2012_06.aspx

Encana to Boost Spending on Oil and Liquids Rich Natural Gas Plays; Raises 2012 Oil, Liquids Production Target by 7 Percent

<http://www.encana.com/news-stories/news-releases/details.html?release=684840>

Natural Gas

Nothing to report

Other News

U.S. Interior Department Holds 39 Million Acre Lease Sale in Central Gulf of Mexico

The Department of the Interior on Wednesday held a 39 million acre lease sale in the Gulf of Mexico, including tracts on the U.S. outer continental shelf offshore Louisiana, Mississippi, and Alabama. A total of 56 offshore energy companies submitted 593 bids on 454 tracts covering more than 2,402,918 acres. The Bureau of Ocean Energy Management estimates the economically recoverable hydrocarbons that could be produced as a result of the acreage offered ranges from 0.8 to 1.6 billion barrels of oil and 3.3 to 6.6 trillion cubic feet of natural gas.

<http://www.doi.gov/news/pressreleases/Obama-Administration-Holds-39-Million-Acre-Lease-Sale-in-Central-Gulf-of-Mexico.cfm>

Pacific Ethanol to Install Corn Oil Technology at Its 60 MMGal/Yr. Magic Valley Ethanol Plant in Idaho

Pacific Ethanol, Inc. today announced it will install corn oil separation technology at the Pacific Ethanol Magic Valley plant in Burley, Idaho by the close of 2012. The company also intends to implement corn oil separation technology at three other Pacific Ethanol plants by the end of the first quarter of 2013. Once the new technology is installed at Magic Valley, the plant is expected to produce approximately 12 million pounds of corn oil per year.

<http://www.pacificethanol.net/site/documents/news/PEIXCornOilSeparation062112Final.pdf>

http://www.pacificethanol.net/site/index.php/facilities/facilities_article/108/

International News

Update: UAE's 1.4 MMb/d Habshan-Fujairah Pipeline Bypassing Strait of Hormuz Starts Pumping Crude Oil June 21

Abu Dhabi on Thursday began exporting Murban blend crude oil through the new state-owned Habshan-Fujairah pipeline, which bypasses the Strait of Hormuz, according to sources in the United Arab Emirates (UAE) who are familiar with the project. The 360-kilometer, 48-inch pipeline links the Habshan oilfields to the port of Fujairah, an oil storage terminal outside the Strait of Hormuz on the Gulf of Oman. The pipeline will slowly ramp up capacity, starting at a rate of 600,000–700,000 b/d, and increasing to approximately 1 MMb/d by July 1. Its full capacity is expected to reach a rate of 1.4 MMb/d, which would constitute approximately 70 percent of the UAE's oil production. In addition to the pipeline, the project comprises a main oil terminal at Fujairah, offshore loading facilities, and associated facilities.

<http://gulfnews.com/business/oil-gas/habshan-fujairah-pipeline-starts-pumping-crude-oil-1.1038817>

Pirates Attacks LNG Tanker Offshore Oman June 20

Pirates fired guns and rocket-propelled grenades at a liquefied natural gas (LNG) tanker off the coast of Oman on Wednesday, and three shots hit the vessel, according to the International Maritime Bureau. The ship that was attacked is called *LNG Aries* and is managed by Japan's Mitsui O.S.K. Lines. Reuters' ship-tracking data show the 126,750 m³ capacity tanker, which left Spain for the Middle East in early June, was sailing back towards the Suez Canal on Thursday.

Reuters, 10:54 June 21, 2012

Energy Prices

U.S. Oil and Gas Prices			
June 21, 2012			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	79.16	83.27	93.10
NATURAL GAS Henry Hub \$/Million Btu	2.60	2.18	4.37

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 and 1:00 PM Eastern Time every Wednesday.

Natural Gas Weekly Update from EIA

<http://www.eia.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM Eastern Time every Thursday.

ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/ead.aspx>

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