



# ENERGY ASSURANCE DAILY

Wednesday Evening, July 11, 2012

## *Electricity*

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### **Update: Nearly 5,000 Allegheny Power Customers in West Virginia Remain without Power July 11 after Summer Storms; Utility Expects Full Restoration by July 13**

Allegheny Power (FirstEnergy) on Wednesday worked to restore power to the remaining customers affected by the Derecho thunderstorm system that struck the Eastern United States overnight June 29–30. The Derecho and subsequent storms that weekend cut power to more than 4.5 million utility customers. More storms followed last week, causing additional outages and complicating restoration efforts. Allegheny Power reported that while the majority of its West Virginia customers affected by recent storms should be restored by this evening, approximately 2,000 customers in the hardest-hit areas would not see their power restored until Thursday or Friday. As of 3:15 PM EDT Wednesday, 4,851 of its customers remained without power.

<http://outages.firstenergycorp.com/mdwv.html>[https://www.firstenergycorp.com/newsroom/news\\_releases/media\\_advisory\\_firstenergyseveresummerstormoutageupdate5.html](https://www.firstenergycorp.com/newsroom/news_releases/media_advisory_firstenergyseveresummerstormoutageupdate5.html)

### **Maryland Governor Says Utilities Should Explore Burying Some Power Lines, Find Other Ways to Make State Grid More Resilient in Wake of Derecho**

Governor Martin O'Malley on Tuesday joined the recent call from legislators and other officials in urging Maryland's utilities to explore burying at least some of their overhead power lines in the wake of the Derecho storm system that cut power to hundreds of thousands of customers in the state June 29. It took more than a week to fully restore power to all affected customers. O'Malley told reporters that he intends to speak with executives at Baltimore Gas & Electric Co. and Pepco—the two most heavily affected utilities—and with the Public Service Commission about ways to make Maryland's electric grid more resilient.

<http://www.baltimoresun.com/features/green/blog/bs-gr-omalley-utilities-undergrounding-20120710,0,6033789.story>

### **Update: ITC Great Plains Energizes 345 kV Hugo-Valliant Transmission Line and Substation in Southeastern Oklahoma**

ITC Great Plains, LLC, in conjunction with Western Farmers Electric Cooperative (WFEC), announced yesterday that it has placed its Hugo-Valliant high-voltage electric transmission line and substation project into service in southeastern Oklahoma, in the Southwest Power Pool region. The 18-mile, 345-kV line and 345-kV/138-kV substation were implemented to reduce system congestion and increase access to a broader range of generation resources. The substation, near WFEC's Hugo power plant, provides a link to the WFEC 138-kV transmission system.

<http://finance.yahoo.com/news/itc-great-plains-energizes-hugo-210200305.html>

### **Update: Entergy's 730 MW Palisades Nuclear Unit in Michigan Restarts, Ramps Up to 22 Percent by July 11**

Entergy's Palisades nuclear unit is returning from an outage that began June 12, when operators discovered a leak from the Safety Injection Refueling Water Tank.

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

### **Update: GenOn's 215 MW Mandalay Gas-Fired Unit 2 in California Returns to Service by July 10**

The unit returned from an unplanned outage that began by July 7.

<http://content.caiso.com/unitstatus/data/unitstatus201207101515.html>

## **Petroleum**

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### **Update: NTSB Faults Organizational Failures, Weak Regulations for July 2010 Rupture of Enbridge's Line 6B and Oil Spill in Michigan**

The National Transportation Safety Board (NTSB) on Tuesday said pervasive organizational failures by Enbridge Inc., along with weak federal regulations, led to the July 25, 2010 rupture of Enbridge's 30-inch pipeline (Line 6B) near the Kalamazoo River in Marshall, Michigan. The rupture caused more than 840,000 gallons of crude oil to spill. The NTSB found that the material failure of the pipeline was the result of multiple small corrosion-fatigue cracks that over time grew in size and linked together, creating a gaping breach in the pipe measuring over 80 inches long. Enbridge detected the cracks in 2005 but did not make repairs, the NTSB said. It faulted Enbridge operators also for failing to recognize the pipeline had ruptured despite multiple alarms and a loss of pressure in the pipeline for more than 17 hours before initiating shutdown procedures. It also cited the Pipeline and Hazardous Materials Safety Administration's weak regulations regarding pipeline assessment and repair criteria as well as a cursory review of Enbridge's oil spill response plan as contributing to the magnitude of the accident.

[http://www.nts.gov/news/events/2012/marshall\\_mi/index.html](http://www.nts.gov/news/events/2012/marshall_mi/index.html)

<http://www.nts.gov/news/2012/120710.html>

### **ExxonMobil Reports Unspecified Unit Breakdown at Its 149,500 b/d Torrance, California Refinery July 10**

ExxonMobil Corp. said it expected to meet all of its contractual commitments following a breakdown of an unspecified unit at its Torrance refinery Tuesday afternoon, according to a spokeswoman.

<http://www.reuters.com/article/2012/07/10/refinery-operations-exxon-torrance-idUSWNAB250420120710?feedType=RSS&feedName=industrialsSector&rpc=43>

### **CRU Compressor Trips at Valero's 310,000 b/d Port Arthur, Texas Refinery July 10**

Valero reported the catalytic reforming unit (CRU-1344) naphtha hydrotreater recycle compressor at its Port Arthur refinery tripped Tuesday morning due to a low seal pot level, according to a filing with the Texas Commission on Environmental Quality. Operators reduced the charge rate to the unit and worked to re-establish the level in the seal pot.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=170893>

## **Natural Gas**

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### **Update: ERCB Approves Shell's Proposed Quest CCS Project at the Company's Scotford Upgrader in Alberta**

The Energy Resources Conservation Board (ERCB) on Tuesday announced it has approved Shell Canada Limited's application for a carbon capture and storage (CCS) project north of Edmonton. The ERCB applied 23 conditions that include additional data collection, analysis, and reporting. Starting in 2015, the Quest project will capture and store one million tonnes of carbon dioxide per year from the company's Scotford upgrader, which processes heavy oil from the Athabasca oil sands.

[http://www.shell.com/home/content/media/news\\_and\\_media\\_releases/archive/2011/quest\\_co2\\_storage\\_24062011.html](http://www.shell.com/home/content/media/news_and_media_releases/archive/2011/quest_co2_storage_24062011.html)

<http://www.ercb.ca/about-us/media-centre/news-releases/2012/nr2012-07>

### **Compressor Malfunction Leads to Flaring at ExxonMobil's 135 MMcf/d Salt Creek Gas Plant in Texas July 10-11**

ExxonMobil reported Unit K3401 went down on first-stage high vibrations overnight July 10-11, which led to flaring. The unit was still down at the time of the filing as operators awaited compressor mechanics.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=170896>

## **Other News**

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Nothing to report

## International News

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### Update: Statoil Resumes Offshore Production at Some North Sea Installations Impacted by Strike July 11

Statoil on Wednesday was resuming operations at its Norwegian continental shelf installations affected by the recent oil workers' strike. The company said it will restart its Oseberg field centre before the weekend, according to a spokesman. Workers on Wednesday resumed operations at three installations—Oseberg C, Brage, and Heidrum—which together produce 121,000 b/d of oil. Oseberg South, Oseberg East, Huldra, and Veslefrikk, whose production totals 55,000 b/d, will restart shortly.

<http://www.reuters.com/article/2012/07/11/statoil-oseberg-idUSL6E8IB3VG20120711?feedType=RSS&feedName=rbssEnergyNews&rpc=43>

## Energy Prices

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U.S. Oil and Gas Prices			
July 11, 2012			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> West Texas Intermediate U.S. \$/Barrel	85.54	87.35	94.99
<b>NATURAL GAS</b> Henry Hub \$/Million Btu	2.87	2.74	4.19

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 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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