



ENERGY ASSURANCE DAILY

Friday Evening, August 31, 2012

Major Developments

OE/ISER Situation Report: Hurricane Isaac

Hurricane Isaac made its first landfall on Tuesday, August 28 at 7:45 p.m. EDT in Plaquemines Parish, LA. Isaac made a second landfall along the coast of southeast Louisiana, just west of Port Fourchon, around 3:15 a.m. EDT on Wednesday, August 29. For details on the impact of this storm on customer outages, energy infrastructure issues, and restoration efforts see: Hurricane Isaac Situation Reports issued by the U.S. Department of Energy, Office of Electricity Delivery & Energy Reliability (OE/ISER), at the following URL:

http://www.oe.netl.doe.gov/named_event.aspx?ID=66

Electricity

Update: NRG Restarts Its 893 MW Limestone Coal-Fired Unit 1 in Texas August 31 after Boiler Repairs

Limestone Unit 1 is returning from an outage that began August 29, when operators shut the unit to make boiler repairs, according to a filing with the Texas Commission on Environmental Quality. Emissions associated with restart procedures were expected to last until Saturday morning, the filing said.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=172955>

Update: Entergy's 730 MW Palisades Nuclear Unit in Michigan Restarts August 30, Ramps Up to Full Power by August 31

Entergy's Palisades nuclear unit is returning from an outage that began August 12, when operators shut the unit after discovering a leak from a control rod drive mechanism inside the containment building.

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

Update: TVA's 1,125 MW Watts Bar Nuclear Unit 1 in Tennessee Ramped Up to 70 Percent by August 31

Watts Bar nuclear Unit 1 is returning from an outage that began August 28, when the reactor automatically tripped due to low level in steam generator (SG) No. 2. The low level resulted when the Main Feedwater Control Valve for SG-2 failed. Operators restarted the unit on August 30.

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

Calpine's 135 MW Gilroy Cogeneration Natural Gas-Fired Unit in California Shut by August 30

The unit entered an unplanned outage.

<http://content.aiso.com/unitstatus/data/unitstatus201208301515.html>

Update: NRC Finalizes Guidance Documents for Post-Fukushima Requirements

The U.S. Nuclear Regulatory Commission (NRC) has issued Interim Staff Guidance (ISG) to U.S. nuclear power plants to ensure proper implementation of three Orders the agency issued in March, in response to lessons learned from the Fukushima Dai-ichi nuclear accident. The ISGs represent acceptable approaches to meeting the Orders' requirements before their Dec. 31, 2016 compliance deadline. The ISGs are not mandatory, but U.S. nuclear power plants would have to seek NRC approval if they wanted to follow a different compliance approach. The NRC issued draft versions of the ISGs on May 31 and asked for public input; the final ISGs reflect information gained from the month-long comment period and subsequent public meetings.

<http://www.nrc.gov/reading-rm/doc-collections/news/2012/12-097.pdf>

NRC Denies License to Foreign Company Applying to Build Third Reactor at Constellation's Calvert Cliffs Nuclear Station in Maryland

The U.S. Nuclear Regulatory Commission's (NRC) Atomic Safety and Licensing Board on Thursday said it could not issue a license to a French company to build a new nuclear unit at Constellation's Calvert Cliffs nuclear station in Maryland as long as the company is completely foreign-owned. The 1954 Atomic Energy Act prohibits the NRC from issuing a reactor license to any company owned by a foreign corporation or government. When UniStar Nuclear first applied to build the reactor in 2007, it was a joint venture between Constellation Energy and the French company Electricite de France (EDF). In late 2010, EDF bought Constellation's portion of the company. (Constellation continues to operate the plant's two current reactors.) Thursday's ruling gives UniStar 60 days to provide proof of progress toward a partnership with a U.S. company that meets the NRC's requirements. <http://www.sunherald.com/2012/08/30/4157069/nrc-says-french-company-cant-build.html#storylink=rss>

Petroleum

Update: BSEE Authorizes Shell to Move Forward with Preparatory Activities in Chukchi Sea Offshore Alaska

The U.S. Bureau of Safety and Environmental Enforcement (BSEE) on Thursday announced that Shell Oil Co. will be allowed to move forward with certain limited preparatory activities in the Chukchi Sea offshore Alaska. Shell can now begin preliminary work on a single well atop its most promising location—the Berger Prospect—by drilling a pilot hole down to about 1,300 feet, which is at least 4,000 feet above any known hydrocarbon deposits. Shell is not permitted to drill into any hydrocarbon zone without having an approved spill-containment barge in place in the Arctic. Shell is awaiting approval from the U.S. Coast Guard to launch its spill-containment barge the *Arctic Challenger*. Shell's vice president for Alaska Pete Slaiby on Thursday told reporters initial drilling could begin as early as next week, although it will be difficult to complete an exploratory well this year before the summer drilling season officially ends. Shell has asked the U.S. Interior Department for an 18-day extension in the drilling window for the Chukchi Sea, citing revised ice forecasts that show clear seas through mid-November. The department said it is still considering the request.

[http://www.bsee.gov/BSEE-Newsroom/Press-Releases/2012/Press08302012\(2\).aspx](http://www.bsee.gov/BSEE-Newsroom/Press-Releases/2012/Press08302012(2).aspx)

<http://www.latimes.com/news/nation/nationnow/la-na-nn-shell-oil-drilling-arctic-20120830.0.7104245.story>

<http://www.businessweek.com/news/2012-08-30/shell-wins-u-dot-s-dot-permit-to-prepare-for-arctic-drilling>

ExxonMobil Reports Flaring at Its 238,600 b/d Joliet, Illinois Refinery August 30

ExxonMobil reported flaring at its Joliet refinery on Thursday was due to safety reasons, according to a filing with state pollution regulators.

Reuters, 04:00 August 31, 2012

CDU, Coker Unit Are Offline at Marathon's 204,000 b/d Robinson, Illinois Refinery August 30 – Sources

Sources reported a crude distillation unit (CDU) and coker unit were offline at Marathon Petroleum's Robinson, Illinois refinery on Thursday, according to traders. Marathon declined to comment on the refinery's operations.

Reuters, 12:42 August 30, 2012

Process Upset Causes Emissions from ESP Stack, FCCU at Petrobras' 100,000 b/d Pasadena, Texas Refinery August 30

An unspecified process upset early Thursday morning caused emissions at Petrobras' Pasadena refinery, according to a filing with the Texas Commission on Environmental Quality. The filing lists an electrostatic precipitator (ESP) stack and a fluid catalytic cracking unit (FCCU) as sources of emissions.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=172920>

Heat Exchanger Leak Causes Emissions at Total's 232,000 b/d Port Arthur, Texas Refinery August 29

Total Petrochemicals on Wednesday reported a heat exchanger at its Port Arthur refinery was suspected to be leaking process fluid into the cooling water circuit of the Foster-Wheeler Cooling Tower, according to a filing with the Texas Commission on Environmental Quality. Operators were investigating to determine what repairs to the heat exchanger were necessary. Emissions related to this event continued until Thursday evening, the filing said.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=172913>

Update: State Regulator Cites BP's 225,000 b/d Cherry Point, Washington Refinery with Six Safety Violations after February Fire

The Washington State Department of Labor & Industries (L&I) on Thursday announced it has cited BP's Cherry Point refinery with six violations related to the management of pipeline and refinery processes after a major fire in February caused the refinery to shut down for several months. The fire occurred when a corroded "deadleg" pipe ruptured. L&I cited BP for not ensuring the proper inspection and testing procedures for all deadleg piping circuits. BP said the piping involved in the accident has been replaced and all lines in similar service were thoroughly inspected, according to a spokesman.

<http://www.hydrocarbonprocessing.com/Article/3082835/Latest-News/BP-cited-for-willful-safety-violation-at-Wash-refinery.html>

Over-Pressurized Storage Tank Leaks 200 Barrels of Fuel Oil at Holly Corp.'s 31,000 b/d Wood Cross, Utah Refinery August 30

Approximately 200 barrels of fuel oil sprayed from a storage tank at Holly Corp.'s Wood Cross refinery overnight Thursday after a fuel oil tank over-pressurized and broke open the tank's cover, according to a spokesman.

Operators are investigating the cause of the over-pressurization, but it could be that water got into the line feeding oil to the tank, the spokesman said. The fuel oil that sprayed blanketed nearby homes, businesses, and cars but is not considered hazardous.

<http://www.ksl.com/?nid=148&sid=21945339>

Natural Gas

Update: Kinder Morgan Lifts Force Majeure on Its Tennessee Gas Pipeline August 31 after Completing Repairs on Compressor Station in New York

Tennessee Gas Pipeline Co. on Friday lifted its force majeure declaration after completing repairs on a compressor station in Carlisle, New York. The company declared force majeure late on Wednesday due to an unspecified problem at the station. Operators took about 200 MMcf/d of gas offline on Thursday, but flows resumed on Friday, a spokesman said. He did not give details on the nature of the problem. The Tennessee natural gas pipeline transports gas from Louisiana, the Gulf of Mexico, and parts of Texas to markets in the U.S. Northeast, including Boston and New York.

Reuters, 10:12 August 31, 2012

Cardinal Gas Storage Partners Announces Non-Binding Open Seasons for 6 Bcf of Firm Storage Capacity at Natural Gas Storage Facilities in Louisiana and Mississippi

Cardinal Gas Storage Partners LLC today announced its wholly owned subsidiaries Arcadia Gas Storage, LLC and Monroe Gas Storage Company, LLC are holding non-binding open seasons from September 4–28 to solicit market interest in subscribing to approximately 6 Bcf of available firm storage capacity for each facility beginning spring-summer of 2013. Arcadia is an operating salt dome natural gas storage facility located in Bienville Parish, LA. The facility currently has approximately 800 MMcf of working gas storage capacity in commercial operation, with another 900 MMcf currently under development. Monroe is an operating depleted reservoir natural gas storage facility in Monroe County, MS. The facility currently has approximately 1,200 MMcf of certificated capacity. Both facilities provide access to markets in the U.S. Midwest, Northeast, and Southeast.

<http://www.arcadiagasstorage.com/>

<http://www.monroegasstorage.com/>

<http://www.cardinalgs.com/pdf/Cardinal%20Announces%20Open%20Season.pdf>

Update: OSHA Cites Plains' 150 MMcf/d Basile Gas Processing Plant in Louisiana with Eight Safety Violations after February Explosion and Fire

The U.S. Department of Labor's Occupational Safety and Health Administration (OSHA) on Wednesday issued eight citations against Plains Gas Solutions LLC after a February explosion and fire at its Basile natural gas-processing plant left a worker severely burned. OSHA said the explosion and fire occurred after operators who were attempting to restart equipment during extremely cold temperatures improperly routed cryogenic liquids.

<http://finance.yahoo.com/news/osha-cites-eunice-plant-blast-150320596.html>

Faulty Wiring Shuts Acid Gas Incinerator, Leads to Emissions at DCP Midstream's 165 MMcf/d Rock Creek Gas Plant in Texas August 30

DCP Midstream reported the emergency acid gas flare at its Rock Creek plant released approximately 670 pounds of sulfur dioxide after an acid gas incinerator shut down Thursday morning, according to a filing with the Texas Commission on Environmental Quality. The incinerator shut down due to an electrical short in some wiring that caused the incinerator fuel valve to shut, the filing said.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=172948>

Various Mechanical Issues Shut an Inlet Gas Compressor at WTP's 50 MMcf/d East Vealmoor Gas Plant in Texas August 30

WTP Gas Processing LP reported an inlet gas compressor shut down at its East Vealmoor gas plant Thursday due to various mechanical issues, according to a filing with the Texas Commission on Environmental Quality. At the time of the filing, operators were waiting for replacement parts to arrive to repair the compressor. Emissions related to this event were expected to continue through Friday.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=172950>

Other News

Nothing to report

International News

Update: Venezuela Imports at Least 860,000 Barrels of Gasoline to Supply Local Market after Explosion at PDVSA's Amuay Refinery Last Weekend – Company Official

Petroleos de Venezuela SA (PDVSA) has ordered at least 860,000 barrels in gasoline shipments intended for distribution to its domestic market after an explosion last weekend shut the country's largest oil refinery, a company official with knowledge of the shipments said Friday. The official asked not to be identified because he isn't authorized to speak publicly on the matter. He added that two additional shipments are also expected to be contracted but he didn't have details on their size. While officials have yet to give a full assessment of damages to the refinery, Oil Minister Rafael Ramirez has maintained that exports and domestic fuel supplies won't be disrupted.

<http://www.hydrocarbonprocessing.com/Article/3083214/Latest-News/Venezuela-imports-gasoline-to-supply-local-market-after-Amuay-disaster.html>

Update: Pirates Release Greek-Owned Oil Tanker in the Gulf of Guinea August 30 after Stealing 3,000 Tonnes of Fuel

Golden Energy Management's *MT Energy Centurion* was carrying 56,000 tonnes of gasoil when it was hijacked off the coast of Togo on August 28.

<http://www.reuters.com/article/2012/08/30/us-greece-pirates-idUSBRE87T1K720120830>

<http://pmnewsnigeria.com/2012/08/30/togo-pirates-free-tanker-after-theft-of-3-8m-litres-of-oil/>

Energy Prices

U.S. Oil and Gas Prices			
August 31, 2012			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	96.03	96.05	88.90
NATURAL GAS Henry Hub \$/Million Btu	2.72	2.81	3.85

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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