



ENERGY ASSURANCE DAILY

Tuesday Evening, September 03, 2013

Electricity

Update: Duke Energy to Retire 350 MW of Coal-Fired Generation at Its Wabash River Station in Indiana by 2015; May Convert 318 MW Coal-Fired Unit to Burn Natural Gas

Duke Energy has reached a settlement over outstanding issues with the Edwardsport power plant air permits and the settlement also addresses deadlines for retiring units at the utility's six-unit Wabash River Station in West Terre Haute, Indiana. Prior to the settlement, the company had announced it planned to retire four, 1950s-vintage units totaling 350 MW at the station by 2015 to meet the Environmental Protection Agency's mercury rule deadline. The company has agreed to complete the retirements by the compliance deadline or, if the mercury rule is vacated or delayed, by June 1, 2018, whichever occurs first. Duke Energy also had been exploring converting another, 318 MW coal-fired unit at the Wabash River Station to burn natural gas; under the settlement, the company has agreed to cease burning coal at that unit by June 1, 2018.

<http://www.duke-energy.com/news/releases/2013083001.asp>

<http://www.duke-energy.com/power-plants/coal-fired/wabash.asp>

APS Reports No Impact on Operations at Its 1,243 MW Palo Verde Nuclear Unit 1 in Arizona after Small Fire Breaks Out in Turbine Building September 2

Arizona Public Service Co. (APS) declared an unusual event at its Palo Verde Unit when smoke and a fire were detected near the A train main feed pump. The event did not adversely affect the operation of the plant, and all three units continued to operate at 100 percent power throughout the incident. The fire was extinguished and was no longer a hazard to the plant or personnel. A Main Feed Pump is running and Unit 2 is operating at 100 percent power. A small oil vapor leak was identified coming from the high pressure bearing seal. Vapor extraction differential pressure was increased to eliminate the oil vapor leak. All the affected lagging was removed and the fire emergency was terminated.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2013/20130903en.html>

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2013/20130901ps.html>

NMC Reports Recirculation Pump Snag at Its 671 MW Monticello Nuclear Power Plant in Minnesota September 1

NMC reported its Monticello plant experienced a runback on September 1 of the A Recirculation pump from 87 percent speed to 82 percent speed. Operators took action to lock the A Recirculation pump scoop tube. This runback resulted in a power reduction from 100 percent to 98 percent rated thermal power.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2013/20130903en.html>

SCE's 200 MW Eastwood Hydro Unit in California Returns to Service by September 1

The unit returned from an unplanned outage that began August 31.

<http://content.aiso.com/unitstatus/data/unitstatus201309011515.html>

Ace's 118 MW Ace Cogeneration Coal-fired Unit in California Shut by August 31

The unit entered an unplanned outage.

<http://content.aiso.com/unitstatus/data/unitstatus201308311515.html>

Update: Kinder Morgan, Valero Place 110,000 b/d Parkway Refined Products Pipeline into Service in Louisiana and Mississippi September 3

Construction of the approximately 141-mile, 16-inch diameter Parkway Pipeline, a 50-50 joint venture between Kinder Morgan Energy Partners, L.P. and Valero Energy Corp., is complete and is now transporting refined petroleum products from refineries in Norco, Louisiana, to an existing petroleum transportation hub in Collins, Mississippi, owned by Plantation Pipe Line Company. From this hub the products will be transported by multiple pipeline systems, including Plantation's system, that serve major markets in the eastern United States. The pipeline system has an initial capacity of 110,000 b/d with the ability to expand to over 200,000 b/d.

<http://phx.corporate-ir.net/phoenix.zhtml?c=93621&p=irol-newsArticle&ID=1851387&highlight>

Marathon Shuts Pipelines To and From a Tank Farm in Illinois August 30 Due to 200 Barrel Crude Oil Leak

Marathon Petroleum Corp. said on Friday it shut pipelines to and from an Illinois tank farm where it discovered a 200 barrel crude oil leak. The pipeline system can supply oil to several refineries in the region. Marathon declined to comment on whether its refineries have been affected by any disruption in supplies and on whether it had been active in the market, but it said it had identified the source of the leak. Marathon declined to further identify the pipelines that were shut. Energy information provider Genscape said flows along the Patoka, Illinois to Lima, Ohio line had shut down.

Reuters, 15:57 August 30, 2013

Update: Motiva Restarts 325,000 b/d CDU at Its 600,000 b/d Port Arthur, Texas Refinery September 2

Motiva restarted a 325,000 b/d crude distillation unit (CDU) and 160,000 b/d vacuum distillation unit that make up its VPS-5 crude section over the weekend, sources said. VPS-5, the hydrocracker, and diesel hydrotreater were shut down following a fire at the hydrocracker on August 17. VPS-5 now appears to be operating normally. Elevated flaring was observed from the hydrocracker flare tower.

Reuters, 19:48 September 2, 2013

HollyFrontier Restarts 75,000 b/d CDU at Its 125,000 b/d Tulsa, Oklahoma Refinery September 3

HollyFrontier Corp. restarted the 75,000 b/d crude distillation unit (CDU) at its Tulsa, Oklahoma refinery. The unit's heating and furnace stack activity have remained at normal operational levels since yesterday evening. The CDU had been ramping-up since September 1 after being shut since August 20.

Reuters, 7:35 September 3, 2013

Shell Reports Flaring, Sulfur Dioxide Release at Its 156,400 b/d Martinez, California Refinery September 3

Royal Dutch Shell Plc reported a release of sulfur dioxide due to flaring at its Martinez, California refinery, according to a filing with the California Emergency Management Agency. The filing did not mention which units were affected or the reason for the flaring.

Reuters, 8:20 September 3, 2013

Phillips 66 Restarts VDU at Its 362,000 b/d Wood River, Illinois Refinery September 2

Phillips 66 restarted the 105,000 b/d vacuum distillation unit (VDU) at its Wood River, Illinois refinery. Ramp-up of the VDU started yesterday morning after being offline since August 29. The associated 65,000 b/d coker has continued operating normally during the outage.

Reuters, 7:35 September 3, 2013

Marathon Reports SRU Malfunction at Its 102,000 b/d Detroit, Michigan Refinery August 30

Marathon Petroleum Corp. reported the sulfur recovery unit (SRU) malfunctioned at its Detroit, Michigan refinery, according to a notice filed with the U.S. National Response Center on Saturday. The malfunction triggered a release of hydrogen sulfide from the refinery, according to the notice.

Reuters, 13:28 September 2, 2013

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1058787

Pasadena Refining Shuts FCCU at Its 100,000 b/d Pasadena, Texas Refinery September 1

Pasadena Refining System Inc. reported the fluidic catalytic cracking unit (FCCU) at its Pasadena, Texas refinery was shut on Sunday due to a malfunction in the sulfur recovery unit, according to a notice filed with the Texas Commission on Environmental Quality. The shutdown triggered the refinery's safety flare system, according to the Texas pollution regulators.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=187523>

Flint Hills Shuts GOHT at Its 260,000 b/d Corpus Christi, Texas Refinery August 29

Flint Hills Resources reported the shutdown of a gas oil hydrotreater (GOHT) at the west plant of its Corpus Christi, Texas refinery, according to a filing with the Texas Commission on Environmental Quality. The company shut the GOHT to isolate a vapor leak on a heat exchanger at the unit.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=187482>

Natural Gas

Chevron's Natural Gas Pipeline off Mississippi Coast Leaks in Gulf of Mexico August 30

Chevron Corp.'s pipeline leaked an unknown quantity of natural gas in the Gulf of Mexico near Pascagoula, Mississippi, according to a report filed with the U.S. National Response Center. An investigation was under way by a dive team according to the report.

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1058719

<http://www.bloomberg.com/news/2013-09-01/chevron-natural-gas-pipeline-leaks-in-gulf-of-mexico-nrc-report.html?cmpid=yhoo>

Southern Union Reports Unit Shutdown at Its Keystone Gas Plant in Texas September 1, 2

Southern Union reported unit no. 20 went down on a turbo alarm on September 1. Unit no. 20 was checked by mechanics and put back on line. On September 2, unit no. 20 shut down for unknown reasons and was put back online and flaring stopped.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=187522>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=187524>

Other News

Copper Wire Stolen From Power Lines in Marion County, South Carolina August 29

Police are searching for thieves who stole over \$50,000 in copper wire from Duke Energy power lines in Marion County, South Carolina.

<http://www.carolinalive.com/news/story.aspx?id=940092#.UiCMhBukowp>

International News

Bombing Halts Oil Flow on Kirkuk-Ceyhan Pipeline September 3 – Iraq Officials

A bomb attack near the city of Mosul in Iraq stopped oil flows through the Kirkuk-Ceyhan pipeline linking Iraq to Turkey early on Tuesday, Iraqi oil officials said. The officials said repairs would take about 24 hours.

Reuters, 5:47 September 3, 2013

Update: Sudan to Allow Passage of South Sudan's Oil Exports September 3

Sudan will continue to allow South Sudan to export its oil through northern pipelines and Port Sudan port, Sudan's President said on Tuesday. Sudan had threatened to close the two export pipelines with the landlocked South Sudan unless it gave up support for rebels operating across the shared border. South Sudan denies the allegation.

<http://www.reuters.com/article/2013/09/03/us-sudan-south-oil-idUSBRE9820NG20130903>

Energy Prices

U.S. Oil and Gas Prices			
September 3, 2013			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	108.07	106.01	96.03
NATURAL GAS Henry Hub \$/Million Btu	3.58	3.50	2.72

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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