



ENERGY ASSURANCE DAILY

Monday Evening, September 24, 2012

Electricity

Update: NRC Finds Substantial Safety Issue Regarding Loss of Offsite Power Event in January at Wolf Creek's 1,160 MW Wolf Creek Nuclear Unit 1 in Kansas

The U.S. Nuclear Regulatory Commission (NRC) has determined that an inspection finding at the Wolf Creek nuclear power plant related to a loss of offsite power event is "yellow," meaning the issue has substantial safety significance and will result in additional NRC inspections and oversight. The plant is operated by Wolf Creek Nuclear Operating Corp. On January 13, operators at the plant declared an Unusual Event after the failure of a main generator electrical breaker, followed by an unexplained loss of power to a transformer. This caused the switchyard to lose power, which removed the plant's connection to the electrical power grid. The NRC determined that actions by the licensee set the stage for the incident because the company failed to provide adequate oversight of contractors while they performed work that could affect safety-related equipment in April 2011. As a result, the licensee failed to identify that electrical maintenance contractors had improperly connected wires on an electrical component. This allowed an electrical short to prevent transfer of power to a transformer on January 13.

<http://www.nrc.gov/reading-rm/doc-collections/news/2012/12-040.iv.pdf>

Update: Exelon's 802 MW Three Mile Island Nuclear Unit 1 in Pennsylvania Restarts, Ramps Up to Full Power by September 23

Exelon Corp.'s Three Mile Island nuclear Unit 1 has returned from an outage that began September 20, when the unit automatically tripped from full power due to a flux to flow imbalance as a result of a trip of the 'C' reactor coolant pump. The cause of the trip was under investigation at the time of the filing.

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

Energy Northwest's 1,107 MW Columbia Nuclear Unit in Washington Reduced to 86 Percent by September 24

On the morning of September 23 the unit was operating at full power.

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

Calpine's 593 MW Metcalf Energy Center Gas-Fired Unit in California Reduced by September 23

The unit entered an unplanned curtailment of 328 MW.

<http://content.caiso.com/unitstatus/data/unitstatus201209231515.html>

GenOn's 320 MW Etiwanda Natural Gas-Fired Unit 4 in California Reduced by September 23

The unit entered an unplanned curtailment of 250 MW.

<http://content.caiso.com/unitstatus/data/unitstatus201209231515.html>

Mirant's 312 MW Pittsburg Natural Gas-Fired Unit 5 in California Shut by September 23

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201209231515.html>

Update: PG&E's 119 MW Belden Hydro Unit in California Returns to Service by September 21

The unit returned from an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201209211515.html>

Update: Delta Begins Jet Fuel Production at Its 185,000 b/d Trainer, Pennsylvania Refinery – Source

Delta Air Lines subsidiary Monroe Energy has begun producing jet fuel at its Trainer refinery, a source familiar with the situation said on Monday. Last week, the crude distillation unit began operation at half rates, ahead of the restart of the second crude heating unit. The sulfur recovery unit restarted, but unforeseen issues with the 53,000 b/d fluid catalytic cracking unit will delay the restart of that unit, the source said. The second crude oil heater is undergoing extensive maintenance and is expected to come back up in a week or so, the source said. Delta purchased Phillips 66's idled 185,000 b/d Trainer refinery in June and has been preparing to restart the facility, which has been idle since September 2011. The company has reconfigured parts of the refinery to increase the production of jet fuel to 52,000 b/d, or about 32 percent of output, while reducing production of gasoline.

Reuters, 09:05 September 24, 2012

Update: Motiva's 235,000 b/d Convent, Louisiana Refinery Still Operating at Reduced Rates September 21 after Shutdown August 30 Due to Hurricane Isaac

Motiva Enterprises continues to operate its Convent, Louisiana refinery at reduced rates three weeks after being shut on August 30 by Hurricane Isaac, according to a company spokeswoman. The refinery notified Louisiana pollution regulators on August 27 that it would shut its fluidic catalytic cracking unit through September 21. On Friday, the company had no update to a September 5 statement that said the refinery had not returned to normal production.

Reuters, 16:03 September 21, 2012

Update: Phillips 66 Resumes Production at Its 247,000 b/d Belle Chasse, Louisiana Refinery by September 21 after Shutdown August 28 Due to Hurricane Isaac

Phillips 66 reported that as of Friday, September 21, it has completed the restart of its Alliance refinery in Belle Chasse, Louisiana and resumed production, according to a statement. The refinery was shut in advance of Hurricane Isaac late last month and was delayed in restarting by a power failure and flooding due to the storm.

Reuters, 17:59 September 21, 2012

Coker Compressor Shutdown Causes Emissions at ExxonMobil's 238,600 b/d Joliet, Illinois Refinery September 23

ExxonMobil Corp. reported emissions due to a coker compressor shutdown at its Joliet refinery Sunday afternoon, according to a filing with the U.S. National Response Center. Operators cut rates and closed a flare valve, securing the release, the filing said.

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1025334

Update: Citgo Restarts Gas Recovery Compressor at Its 167,000 b/d Lemont, Illinois Refinery September 21

Citgo Petroleum Corp. reported it restarted a gas recovery compressor at its Lemont refinery on Friday after it tripped Thursday due to an electrical issue. No processing units were affected by the shutdown, the company said.

Reuters, 16:53 September 21, 2012

LyondellBasell Says Unspecified Upset at Its 270,600 b/d Houston, Texas Refinery September 23 Will Not Affect Production

LyondellBasell said an unspecified incident that led to flaring at its Houston refinery Sunday afternoon would not affect production, according to a spokesman. The refinery had reported the incident on a community information line without specifying the units involved in the upset.

Reuters, 19:21 September 23, 2012

ExxonMobil Reports Flaring at Its 344,500 b/d Beaumont, Texas Refinery September 24

ExxonMobil Corp. reported unspecified operating conditions at its Beaumont refinery required flaring Monday, according to a message on a community information line.

Reuters, 06:48 September 24, 2012

Equipment Failure Causes Diesel Fuel Release at PBF's 190,000 b/d Delaware City, Delaware Refinery September 21

PBF Energy Inc. reported a release of diesel fuel at its Delaware City refinery Friday afternoon was due to an unspecified equipment failure, according to a filing with state pollution regulators. Reuters, 16:21 September 21, 2012

Update: Phillips 66 Completes Restart at Its 139,000 b/d Wilmington, California Refinery September 21

Phillips 66 said it completed the restart of its Wilmington refinery and resumed production on Friday, according to a company spokesman. Early last week the refinery reported it was in the process of restarting a majority of its units after a power outage September 15. Operators also reported flaring due to unknown causes September 20. Reuters, 18:04 September 21, 2012

EPA Investigating Chevron for Possible Criminal Air-Pollution Violations at Its 245,271 b/d Richmond, California Refinery

The U.S. Environmental Protection Agency (EPA) in early 2012 opened a criminal investigation of Chevron after local inspectors notified the agency that the company may have detoured pollutants around monitoring equipment to flare at its Richmond refinery for 4 years. Inspectors from the Bay Area Air Quality Management District, which enforces federal air standards, in August 2009 discovered Chevron had installed more than 100 feet of 3-inch pipe linking the refinery's Isomax unit to the flare tower and bypassing two sets of monitoring equipment. Chevron said the pipe was designed to balance pressure in the refining process, but investigators could find no legitimate use for it and ordered Chevron to remove it, according to an air-quality district official. The EPA's investigation is still ongoing. Investigators are trying to determine who at Chevron was aware of the bypass pipe and whether the company used it intentionally to deceive air-pollution regulators. Chevron says its use was inadvertent and that it estimates that the amount of released sulfur dioxide was minimal.

<http://www.sfgate.com/default/article/Criminal-investigation-at-Chevron-refinery-3886927.php#page-1>

The Louisiana Offshore Oil Port Has Begun Receiving Tankers of Domestic Crude Oil

The Louisiana Offshore Oil Port (LOOP) began receiving tankers of domestic crude oil in August and expects to receive such shipments on a regular basis, a spokeswoman for the port said in a recent telephone interview. LOOP has traditionally taken delivery of foreign crude from ships and offshore Gulf of Mexico crude by pipeline. The domestic crude shipments began last month have arrived on vessels with capacities typically between 300,000–350,000 barrels, the spokeswoman said.

http://www.tankterminals.com/news_detail.php?id=2020

Binding Open Season Announced for 80,000 b/d Expansion of White Cliffs Pipeline to Increase Shipments from the DJ Basin in Colorado to Cushing, Oklahoma

White Cliffs Pipeline, LLC (WCPL), a partially owned subsidiary of SemGroup Corporation (SEMG), on Friday announced a binding open season for a proposed "Expansion Project" to provide capacity for the transportation of approximately 80,000 b/d from Platteville, Colorado to Cushing, Oklahoma. The White Cliffs pipeline currently transports 70,000 b/d of crude oil from the DJ Basin to the Cushing hub. The Expansion Project could be further expanded to support higher volumes as commitments may dictate. The expansion is expected to be in service by the first half of 2014. Following pipeline construction, Rose Rock Midstream, LP, another SemGroup subsidiary, will continue in its role serving as the pipeline operator.

http://www.semgroupcorp.com/OperationsAndCommodities/CrudeOil/WhiteCliffsPipeline.aspx?sc_lang=en
<http://ir.semgroupcorp.com/file.aspx?IID=4135511&FID=14589121>

Natural Gas

Amine Snag Shuts AGI Compressor, Causes Flaring at Regency's 290 MMcf/d Waha Gas Plant in Texas September 23

Regency Energy Partners reported that irregular gas flow from the amine system to the acid gas injector (AGI) compressor caused the AGI compressor to shutdown Sunday morning, according to a filing with the Texas Commission on Environmental Quality. Flaring related to this incident was expected to continue until Monday morning, the filing said.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=173817>

Acid Gas Compressor Shutdown Causes Flaring at Targa's 150 MMcf/d Sand Hills Gas Plant in Texas September 23

Targa reported the Acid Gas Compressor (C-14) shut down on #1 power cylinder detonation Sunday morning, resulting in flaring from Acid Gas Flare F-4, 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=173813>

Southern Union Reports Flaring at Its 140 MMcf/d Keystone Gas Plant in Texas September 21

Southern Union Gas Services reported that during repairs to a leaking fuel valve at its Keystone plant Friday night, an Emperor field unit shut down, causing flaring, according to a filing with the Texas Commission on Environmental Quality (TCEQ). Flaring related to this incident continued until Saturday night, the filing said. The plant reported an Emperor field unit went down overnight Sunday, causing low-pressure inlet gas to flare, according to another TCEQ filing.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=173801>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=173812>

Other News

Flawed ORing Networking Devices Expose Oil and Gas Companies to Cyberattacks – DHS Cyber Emergency Response Team

The U.S. Department of Homeland Security (DHS) Industrial Control Systems Cyber Emergency Response Team (ICS-CERT) on September 19 issued an advisory to warn customers of ORing Industrial Networking devices of a vulnerability that exposes their organizations to cyberattacks. The affected products are industrial serial device servers deployed across several sectors, including manufacturing, oil and gas, transportation, electric utilities, and others. ICS-CERT estimates that these products are used primarily in the United States, Europe, and Asia. ICS-CERT is encouraging asset owners to take additional defensive measures to protect against this and other cybersecurity risks.

http://www.us-cert.gov/control_systems/pdf/ICSA-12-263-02.pdf

Dell SecureWorks Says Two Cyber Espionage Campaigns Targeting Energy Firms May Be Related

Researchers from the Security firm Dell SecureWorks have discovered a cyber espionage campaign targeting several large companies, including two in the energy sector. The campaign, dubbed Mirage, targeted an oil company in the Philippines, an energy firm in Canada, a military organization in Taiwan, and other unidentified targets in Brazil, Israel, Egypt, and Nigeria. Earlier this year Dell SecureWorks discovered another cyber espionage campaign, dubbed Sin Digoo, that targeted several petroleum companies in Vietnam, a nuclear safety agency, and other groups. Dell SecureWorks researchers believe the two campaigns are related. Three command and control (C&C) domain names in the Mirage campaign are owned by someone using the same email addresses as the owner of several C&C domains used in the Sin Digoo campaign.

<http://www.computerweekly.com/news/2240163620/Dell-SecureWorks-uncovers-cyber-espionage-targeting-energy-firms>

Freight Train Carrying Coal from Wyoming to San Antonio Derails in Oklahoma September 20

Portions of a Union Pacific train carrying coal from Wyoming to San Antonio, Texas derailed near Oktaha, Oklahoma just after 10:20 a.m. last Thursday, buckling and mangling 31 cars and causing a brief fire, according to local reports. Officials were investigating what caused the 135-car train to derail, a Union Pacific spokesman said.

<http://muskogeephoenix.com/local/x766434063/Crash-dumps-tons-of-coal-near-Oktaha>

Libya Targets Oil Output Increase from 1.6 to 1.8 MMb/d Next Year – Libyan Oil Officials

Libyan Oil Minister Abdulrahman Ben Yazza on Monday told an audience at a conference in Tripoli that Libya's oil output has returned close to pre-war levels of around 1.6 million barrels per day (MMb/d), about 70 percent of which is currently exported. Ben Yazza said the challenge will be to maintain and increase this rate of production. National Oil Corporation Chairman Nuri Berruien said at the conference that Libya hoped to increase production by the end of this year and was targeting an increase to 1.8 MMb/d next year. The country has said it targets producing 2 MMb/d by the end of 2015. The country's largest refinery, Ras Lanuf, is processing around 190,000 b/d after it was restarted in late August Berruien said. The facility was processing 220,000 b/d before the war but has faced technical problems in ramping up production since then.

Reuters, 11:48 September 24, 2012

<http://english.ahram.org.eg/NewsContent/3/12/53693/Business/Economy/Libya-exports--pct-of-its-production,-Ras-Lanuf-re.aspx>

Update: Fire Extinguished at PDVSA's 146,000 b/d El Palito Refinery in Venezuela September 21

Firefighters late on Friday extinguished a blaze in a fuel storage tank at Petroleos de Venezuela SA's (PDVSA) El Palito refinery, company officials said Saturday. Lightning during an electrical storm overnight last Wednesday set fire to two naphtha storage tanks at the refinery. The fire in one tank was extinguished within hours, and the fire in the second storage tank was completely extinguished late on Friday. PDVSA has said the incident was not expected to impact production at the refinery.

[http://www.gulf-](http://www.gulf-times.com/site/topics/article.asp?cu_no=2&item_no=532894&version=1&template_id=43&parent_id=19)

[times.com/site/topics/article.asp?cu_no=2&item_no=532894&version=1&template_id=43&parent_id=19](http://www.gulf-times.com/site/topics/article.asp?cu_no=2&item_no=532894&version=1&template_id=43&parent_id=19)

Energy Prices

U.S. Oil and Gas Prices			
September 24, 2012			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	91.13	99.26	80.12
\$/Barrel			
NATURAL GAS			
Henry Hub	2.76	2.94	3.72
\$/Million Btu			

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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Please direct comments and questions to: ead@oe.netl.doe.gov