



ENERGY ASSURANCE DAILY

Thursday Evening, October 18, 2012

Electricity

Severe Storms and High Winds Knock Out Power to More Than 179,000 Duke Energy Customers in the Carolinas October 18

Severe storms and high winds struck the Carolinas on a path along the Atlantic Seaboard Thursday afternoon, knocking down trees and power lines and cutting power to utility customers. As of 4:00 p.m. EDT Thursday, Duke Energy was reporting 179,387 of its customers in the Carolinas were without power.

<http://www.accuweather.com/en/weather-news/severe-storms-wind-north-carolina-virginia/344789>
<http://www.duke-energy.com/north-carolina/outages/current.asp#outagedata>

Pasadena Water and Power Urges Conservation after Fire Shuts Its 28 MW Glenarm Natural Gas-Fired Unit 2 in California October 16

Pasadena Water and Power Department (PWP) reported it shut its Glenarm Unit 2 on Tuesday after a fire broke out inside a turbine containment unit that morning. The cause of the fire was under investigation, but initial information indicated that a turbine blade in Unit 2 broke loose, causing equipment damage and the fire. No injuries were reported, and no interruption of service occurred. A fire suppression system activated automatically, and fire officials confirmed the fire had been extinguished within 2 hours. With Unit 2 now out of service and Units 1 and 3 both offline for repairs, the plant is now operating with just its 45 MW natural gas-fired Unit 4. PWP urged all Pasadena customers to conserve energy during this week's hot weather, especially between 2:00 p.m. and 6:00 p.m.

<http://cityofpasadena.net/EkContent.aspx?theme=Navy&id=8589937101&bid=2970&style=news>
http://www.pasadenastarnews.com/news/ci_21784721/power-plant-turbine-explodes-pasadena-no-injuries-reported

SCE's 200 MW Eastwood Hydro Unit in California Returns to Service by October 17

The unit returned from a planned outage that began by October 16.

<http://content.aiso.com/unitstatus/data/unitstatus201210171515.html>

Update: Duke Ready to Test Coal Gasifier at Its New 630 MW Edwardsport IGCC Power Plant in Indiana; Commercial Operations Set to Start in 2013

Duke Energy on Wednesday announced construction on its Edwardsport integrated gasification combined cycle (IGCC) power plant is "virtually complete" and extensive testing is under way to prepare for commercial operations next year. The plant has successfully produced electricity using natural gas, and the next phase is testing the coal-gasification equipment, which may begin as early as this week. Frequent flare events are expected to occur during the testing and startup procedures over the next several months. Indiana regulators approved Duke's proposal to build the new plant at Edwardsport in 2007. As part of that plan, Duke will retire three coal-fired units at the 160 MW site upon full operation of the new plant.

<http://www.duke-energy.com/news/releases/2012101701.asp>
<http://www.reuters.com/article/2012/10/18/utilities-duke-edwardsport-idUSL1E8LI36520121018?feedType=RSS&feedName=marketsNews&rpc=43>

PJM and New York ISO Announce Long-Term Strategy to Enhance Grid Reliability; Study Impacts of Increasing Natural Gas Use

The boards of both PJM Interconnection and the New York Independent System Operator (NYISO) on Wednesday announced a long-term strategy to optimize the flow of electricity across their common border and reduce threats to reliability. Elements of the strategy include coordinating planning processes to facilitate efficient transmission investments, and deploying smart grid technologies that maintain system balance through the use of data, communications, and automated systems. Work is also underway for an interregional study that will examine the impacts of natural gas expansion on PJM and the NYISO's systems, both near- and long-term. The study will look at existing and planned pipeline and generation facilities and identify contingencies on the regional natural gas system that could adversely affect reliability. The study also will evaluate the adequacy of the regional gas pipeline system to meet electricity system needs.

http://www.nyiso.com/public/webdocs/newsroom/press_releases/2012/20121017-PJM-NYISO-news-release.pdf

Petroleum

TransCanada Shuts 590,000 b/d Keystone Crude Oil Pipeline for Inspection October 17 after Detecting ‘Small Anomaly’; Shutdown Expected to Last 3 Days

TransCanada Corp. on Wednesday shut down the 590,000 b/d Keystone crude oil pipeline after detecting a “small anomaly” on a section of the pipeline in Missouri during planned maintenance, the company said on Thursday. The 2,154-mile pipeline extends from Hardisty, Alberta to U.S. markets at Wood River and Patoka in Illinois, and from Steele City, Nebraska to Cushing, Oklahoma. The pipeline is expected to be down for three days while crews conduct closer inspections, and a spokesman said storms in the region would most likely prevent work crews from repairing the problem until Saturday. TransCanada said no leaks were detected on the system, and it expects to resume normal operations for the remainder of October after it restarts flows on the pipeline. A spokesman said that the shutdown was taken as a preventative measure and won't affect oil shipments to customers “for now.”

Reuters, 11:05 October 18, 2012

<http://www.transcanada.com/#>

http://online.wsj.com/article/SB10000872396390444734804578064860107514402.html?mod=googlenews_wsj

BP Shuts 75,000 b/d CDU for Repairs at Its 413,000 b/d Whiting, Indiana Refinery October 18 – Sources

BP Plc on Thursday shut the smallest crude distillation unit (CDU) at its Whiting refinery for repairs, according to sources familiar with plant operations. Operators restarted the 75,000 b/d unit two weeks ago after shutting it in August for planned work. The sources had no estimate on how long it would be shut for the current work.

Reuters, 11:39 October 18, 2012

Sulfur Dioxide Leak Prompts Brief Evacuation at BP's 455,790 b/d Texas City, Texas Refinery October 17 – Sources

A brief sulfur dioxide (SO₂) leak at BP Plc's Texas City refinery on Wednesday prompted a 30-minute evacuation for employees, according to sources familiar with refinery operations. The leak lasted for only a few seconds and the sulfur recovery unit never stopped running, the sources said. Separately, the refinery reported an equipment malfunction at the plant Wednesday morning caused excess SO₂ and hydrogen sulfide to enter the shell claus off-gas treating unit, which increased SO₂ in the stack incinerator and caused emissions, according to a filing with the Texas Commission on Environmental Quality. Operators restored normal operations later that morning, the filing said.

Reuters, 13:33 October 17, 2012

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=174919>

Valero Reports Emissions at Its 142,000 b/d Corpus Christi, Texas Refinery October 17

Valero Energy Corp. reported emissions on Wednesday were due to unknown causes, according to a filing with the Texas Commission on Environmental Quality. Operators were restarting compressors to restore normal operations on Thursday, the filing said.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=174935>

Officials Report Possible Kerosene Leak at Kern Oil's 26,000 b/d Bakersfield, California Refinery October 17

A chemical leak at Kern Oil's Bakersfield refinery Wednesday afternoon caused a vapor cloud to form, forcing officials to briefly halt traffic near the facility, local media reported. A Kern County fire official said the leak may have occurred when kerosene was being used for cleaning at the refinery. Officials were investigating the incident. <http://www.bakersfieldnow.com/news/local/Chemical-leak-at-refinery-prompts-road-closures-174680181.html>

CN and Tundra Energy Marketing to Construct Crude Oil Rail Car Loading Terminal in Manitoba to Accommodate Bakken Producers

CN and Tundra Energy Marketing Limited on Thursday announced they have signed a memorandum of understanding to construct a crude oil rail car loading terminal near Cromer, Manitoba, to meet the needs of Bakken crude oil producers in Manitoba and Saskatchewan. The terminal will initially load 30,000 b/d of crude oil into rail cars, starting in the second quarter of 2013. The facility will have the potential to accommodate a unit train of 100 tank cars, with each train carrying approximately 60,000 b/d of crude oil. <http://www.cn.ca/en/media-news-cn-tundra-crudeoil-terminal-20121018.htm>

Natural Gas

Update: DOE Delays Decision on Reconsidering Its Permit for Cheniere's Sabine Pass LNG Export Project in Louisiana

The U.S. Department of Energy (DOE) on October 5 issued an order that gives the department more time to consider a request from the Sierra Club to block a key permit for Cheniere Energy's Sabine Pass liquefied natural gas (LNG) export project in Cameron Parish, Louisiana. Cheniere owns the 4 Bcf/d Sabine Pass LNG receiving terminal located on the Sabine Pass Channel and is developing a project to add liquefaction and export capabilities to the existing infrastructure. DOE has authorized Sabine Pass to export LNG to countries with which the United States has a free trade agreement (FTA), as well as to non-FTA countries. The Federal Energy Regulatory Commission (FERC) issued an environmental assessment and, in April 2012, approved construction and operation of the Sabine Pass facility. The Sierra Club in September issued a request asking the DOE to reconsider and stay its authorization, arguing the FERC assessment was based on an inadequate environmental review. <http://www.platts.com/RSSFeedDetailedNews/RSSFeed/NaturalGas/6696978>
<http://www.kxxv.com/story/19847921/doe-delays-decision-on-cheniere-energy-facility>

Tennessee Gas Pipeline Proposes 230 MMcf/d Rose Lake Expansion Project in Pennsylvania

Tennessee Gas Pipeline Co. (TGP) on October 10 filed an application with the U.S. Federal Energy Regulatory Commission (FERC) proposing the Rose Lake expansion project, which would provide long-term firm transportation service for two shippers that have fully subscribed 230 MMcf/d of firm capacity offered in TGP's Zone 4 in Pennsylvania. As part of the project, TGP would replace older compressor units with new, more efficient units and make other modifications involving three existing compressor stations that serve its 300 Line, all in northeastern Pennsylvania. The anticipated in-service date for the project is November 1, 2014. <http://www.marketwatch.com/story/kinder-morgan-energy-partners-increases-quarterly-distribution-to-126-per-unit-2012-10-17>

Southern Union Reports Flaring at Its 140 MMcf/d Keystone Gas Plant in Texas October 16

Southern Union Gas Services reported it was flaring low pressure gas at its Keystone plant late Tuesday night after Unit 23 lost power to the control panel, according to a filing with the Texas Commission on Environmental Quality. <http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=174930>

Engine Shutdown Causes Emissions at Exterran's 50 MMcf/d Reinecke Gas Plant in Texas October 16

Exterran reported Engine 40046 at its Reinecke plant went down Tuesday morning due to poor fuel quality, according to a filing with the Texas Commission on Environmental Quality. <http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=174902>

Other News

Nothing to report.

International News

South Sudan Orders Oil Companies to Resume Production after Ratifying Agreements with Sudan

South Sudan on Thursday ordered oil companies in the country to resume production and the transportation of oil, ending a 9-month shutdown sparked by a long-running dispute over how much the landlocked South Sudan should pay to transport its oil through Sudan. The dispute led to the shutdown in January of South Sudan's 350,000 b/d output. Thursday's order followed deals signed by both countries last month and ratified by parliaments in Juba Tuesday and in Khartoum Wednesday. Officials said it would take at least 3 months for the crude to reach buyers as workers rebuild infrastructure damaged by fighting and reopen pipelines.

DJN, 10:00 October 18, 2012

<http://www.reuters.com/article/2012/10/18/us-sudan-crude-idUSBRE89H05E20121018>

Gas Pipeline Exploded amid Clashes in Northeastern Syria October 18

Syrian rebels on Thursday blew up a gas pipeline in a northeastern region of the country that borders Iraq, according to a state-run news agency. The attack occurred near Deir al-Zour against pipeline linking Deir al-Zour to Palmyra in the center of the country.

<http://www.albawaba.com/news/syria-gas-pipeline-exploded-amid-clashes-north-447150>

Energy Prices

U.S. Oil and Gas Prices			
October 18, 2012			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	92.19	91.82	88.32
\$/Barrel			
NATURAL GAS			
Henry Hub	3.24	3.26	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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<http://www.oe.netl.doe.gov/ead.aspx>

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