



# ENERGY ASSURANCE DAILY

Friday Evening, November 09, 2012

## Major Developments

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### **OE/ISER Situation Report: Hurricane Sandy–Nor’easter**

On November 7, a Nor’easter began to impact the U.S. Mid-Atlantic and Northeast with strong winds, rain, snow, and coastal flooding, as the region worked to recover from impacts caused by Hurricane Sandy, which made landfall on October 29. For details on the impact of this storm on customer outages, energy infrastructure issues, and restoration efforts, see: Hurricane Sandy–Nor’easter 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=68](http://www.oe.netl.doe.gov/named_event.aspx?ID=68)

## Electricity

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### **FirstEnergy, AMP Propose to Build a New 873 MW Natural Gas-Fired Peaking Facility at FirstEnergy’s Eastlake Power Plant in Ohio**

FirstEnergy Corp. and American Municipal Power, Inc. (AMP) on Thursday announced they have entered into a non-binding memorandum of understanding to site, build, and operate a natural gas-fired peaking facility at FirstEnergy’s existing Eastlake Plant in Eastlake, Ohio. FirstEnergy would supervise construction of the four combustion turbine units whose aggregate capacity would be 873 MW. AMP will provide the construction financing and own 75 percent of the generation output upon completion, while FirstEnergy will fund and own the remaining 25 percent of the output. Subject to regulatory approval, construction is expected to begin in the latter half of 2014, and the plant could become operational by early 2016. This proposed project is intended to address reliability concerns resulting from power plants being deactivated in the region due to new U.S. Environmental Protection Agency (EPA) rules. Earlier this year, FirstEnergy announced that nine older, coal-fired power plants, including the Eastlake Plant, would be deactivated as a result of the EPA’s new Mercury and Air Toxics Standards and other environmental regulations.

[https://www.firstenergycorp.com/content/fecorp/newsroom/news\\_releases/firstenergy-and-amp-sign-memorandum-of-understanding-to-build-ne.html](https://www.firstenergycorp.com/content/fecorp/newsroom/news_releases/firstenergy-and-amp-sign-memorandum-of-understanding-to-build-ne.html)

### **Update: PPL Shuts 1,111 MW Susquehanna Nuclear Unit 2 in Pennsylvania Due to Control System Malfunction November 9; Ramps 1,105 MW Susquehanna Nuclear Unit 1 Up to 81 Percent by November 9**

Operators manually shut the Susquehanna Unit 2 reactor Friday because a computer system that controls the reactor’s water level was not functioning properly. Operators were investigating the incident. While the unit is shut down to address the control malfunction, operators will also begin a previously announced turbine blade inspection as part of ongoing efforts to address turbine blade cracking. Susquehanna Unit 1 was unaffected by the loss of the Unit 2 control system. Unit 1 is currently returning from an outage that began October 22, when operators began a planned inspection of turbine blades. Operators restarted the unit November 7 after completing the inspections, which showed signs of cracking on a small number of turbine blades, confirming data from diagnostic equipment installed in the spring of 2012. Those blades were replaced.

<http://pplweb.mediaroom.com/index.php?s=12270&item=135422>

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

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2012/20121109en.html>

### **Update: Entergy's 813 MW FitzPatrick Nuclear Unit in New York Ramped Up to 88 Percent by November 9**

FitzPatrick Unit 1 is returning from an outage that began on November 5, when the reactor automatically scrambled from full power on a valid reactor protection system activation caused by a main turbine trip. The cause of the main turbine trip was under investigation. Operators restarted the unit November 7.

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

### **Update: Constellation's 565 MW Nine Mile Point Nuclear Unit 1 in New York Restarts, Ramps Up to 30 Percent by November 9**

Nine Mile Point Unit 1 is returning from an outage that began November 3, when the reactor automatically scrambled on low reactor water level. Operators were investigating the cause of the incident.

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

### **Update: Entergy's 730 MW Palisades Nuclear Unit in Michigan at Full Power by November 9**

Entergy's Palisades nuclear unit is returning from an outage that began November 4, when operators manually shut the reactor due to a small steam leak on a drain valve. Operators restarted the unit by November 7.

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

### **Update: PCWA's 218 MW Middle Fork and Ralston Hydro Unit in California Returns to Service by November 8**

The unit returned from a curtailment of 184 MW that began November 7 and was due to planned and unplanned causes.

<http://content.caiso.com/unitstatus/data/unitstatus201211081515.html>

### **Cabrillo Power's 330 MW Encina Natural Gas-Fired Unit 5 in California Reduced by November 8**

The unit entered an unplanned curtailment of 135 MW.

<http://content.caiso.com/unitstatus/data/unitstatus201211081515.html>

## ***Petroleum***

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### **Louisiana Offshore Oil Port Says It's Receiving Increasing Amounts of Domestic Oil by Tanker, Taking Steps to Accept More in the Future**

The Louisiana Offshore Oil Port (LOOP) reported it is receiving an increasing amount of domestic oil shipped by tanker and is taking steps to accept more in the future. The port began accepting cargoes in August after making modifications to one of its three offshore buoys to allow hook-ups to smaller domestic vessels. LOOP plans to make modifications at its other two offshore buoys so they can also accept domestic cargoes. Most of the shipments, which are about 330,000 barrels each, are Eagle Ford oil coming from Corpus Christi, Texas. Shipments have increased as more crude produced inland reaches the Gulf Coast and is bought by refiners as a less-expensive alternative to oil imported or produced in the Gulf of Mexico. LOOP has also received waterborne shipments from St. James, Louisiana, which can receive rail shipments of Bakken oil from North Dakota.

<http://www.bloomberg.com/news/2012-11-08/loop-receiving-increasing-amounts-of-domestic-oil-by-tanker.html>

### **Update: ExxonMobil Says Flexicoker Shut for Repairs at Its 572,500 b/d Baytown, Texas Refinery in September to Remain Offline a Few More Weeks**

ExxonMobil Corp. on Wednesday said it plans to restart a flexicoker unit, shut since September 11 to repair a heat exchanger, at its Baytown refinery in a few weeks. The refinery has not yet determined an exact restart date. Operators originally said they expected repairs would take several weeks to complete, and that they expected only a minimal impact on production.

<http://www.nasdaq.com/article/refinery-status-phillips-66-reports-flaring-at-carson-calif-refinery-20121108-01465>

### **Update: Motiva Set to Restart 325,000 b/d CDU at Its 600,000 b/d Port Arthur, Texas Refinery in Early 2013**

Motiva Enterprises on November 6 reported it was on track to restart a damaged 325,000 b/d crude distillation unit (CDU) at its Port Arthur refinery early next year. The unit has been shut since a June 9 fire, after which extensive corrosion was discovered in the CDU's vessels and piping due to a caustic leak. Sources familiar with refinery operations have in the past said that operators could restart the CDU as early as December, ahead of its target date of early 2013.

<http://www.nasdaq.com/article/refinery-status-phillips-66-reports-flaring-at-carson-calif-refinery-20121108-01465>

### **Shell Reports Pinhole Benzene Leak at Its 329,800 b/d Deer Park, Texas Refinery November 8**

Shell Oil Co. reported operators at its Deer Park refinery on Thursday afternoon discovered a pinhole leak of benzene on a 1-inch line on the level bridle on the Benzene Column Accumulator, Unit V-881, according to a filing with the Texas Commission on Environmental Quality. Operators shut and isolated the V-881 unit and were investigating the incident.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=175865>

### **Unspecified Equipment Malfunction Causes Flaring at ExxonMobil's 238,600 b/d Joliet, Illinois Refinery November 5**

ExxonMobil Corp. reported an unspecified equipment malfunction led to flaring at its Joliet refinery on November 5, according to a filing with government regulators.

<http://www.nasdaq.com/article/refinery-status-phillips-66-reports-flaring-at-carson-calif-refinery-20121108-01465>

### **Update: Canadian Natural, North West Upgrading Advance Project to Build 50,000 b/d North West Redwater Bitumen Refinery in Alberta**

Canadian Natural Resources Ltd and its partner, North West Upgrading Inc, on Thursday said they are proceeding with plans to build and operate a 50,000 b/d bitumen refinery in Redwater, Alberta. The North West Redwater refinery will process extra-heavy crude from the oil sands into low-sulfur diesel fuel and other petroleum products. Its initial capacity will be 50,000 b/d, and it could eventually be expanded to process 150,000 b/d. Construction is scheduled to begin in the spring of 2013, with target commencement of deliveries in mid-2016.

<http://www.reuters.com/article/2012/11/08/canadiannatural-results-idUSL3E8M83OO020121108>

[http://www.cnrl.com/upload/media\\_element/568/02/1108-q3\\_12.pdf](http://www.cnrl.com/upload/media_element/568/02/1108-q3_12.pdf)

## ***Natural Gas***

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### **Enterprise Restarts 75,000 b/d NGL Fractionator No. 5 at Its Mont Belvieu NGL Facility in Texas November 9 after Power Failure Trips Unit Offline November 8**

Enterprise Products Partners L.P. reported it was restarting the No. 5 fractionator at its Mont Belvieu natural gas liquids (NGL) complex early Friday after a power failure tripped the unit offline Thursday morning, 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=175870>

### **High Inlet Gas Volumes Cause Flaring at DCP Midstream's 70 MMcf/d Fullerton Gas Plant in Texas November 8**

DCP Midstream reported flaring at its Fullerton plant on Thursday was caused when operators had to shut down an engine at its South Fullerton Booster plant due to high inlet gas volumes coming into the plant, 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=175861>

## ***Other News***

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Nothing to report

### Eni Declares Force Majeure on Brass River Oil Exports in Nigeria Due to Flooding

Italian oil firm Eni confirmed this week that it has declared force majeure on Brass River oil loadings from Nigeria due to floods. The company said it could not provide an end date for the force majeure, but a trade source said loading delays on the grade were 8–10 days. A second trade source on Friday said loading delays on Nigeria's benchmark Qua Iboe grade also have lengthened to 7–9 days, from 2–3 days earlier this month. Royal Dutch Shell on October 19 declared force majeure on exports of Nigeria's Bonny and Forcados crude grades due to damage caused by oil thieves and flooding.

<http://www.reuters.com/article/2012/11/09/nigeria-oil-idUSL5E8M9DQW20121109>

### Russia Boosts Druzhba Pipeline Crude Oil Flows ahead of Harsh Winter Weather, Potential Supply Disruptions at Ports

Russia's state-owned Transneft on November 2 said it is seeking to increase volumes shipped via the Druzhba pipeline to the Czech Republic after cutting supplies on the pipeline earlier this year in an effort to diversify its exporting routes, such as through the new Ust-Luga port on the Baltic Sea. Druzhba pipeline shipments are expected to be increased during the winter as a precaution against potential supply disruptions at ports during the harsh weather. Transneft said it plans to ship 350,000–410,000 tonnes of via Druzhba to the Czech Republic in November, substantially higher than volumes in October, when Russia exported 237,000 tonnes via Druzhba to the Czech Republic.

<http://af.reuters.com/article/energyOilNews/idAFL5E8M26MX20121102>

<http://www.reuters.com/article/2012/11/08/czech-oil-russia-idUSL5E8M65ZG20121108>

## Energy Prices

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U.S. Oil and Gas Prices			
November 9, 2012			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	86.04	84.76	97.48
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	3.50	3.54	3.44

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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