



ENERGY ASSURANCE DAILY

Tuesday Evening, November 13, 2012

Major Developments

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

The U.S. Department of Energy, Office of Electricity Delivery & Energy Reliability (OE/ISER) released an emergency situation report this morning. The next situation report will be released on Friday morning (November 16). 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 OE/ISER at the following URL: http://www.oe.netl.doe.gov/named_event.aspx?ID=68

New Jersey Ends Gas Rationing November 13

New Jersey Governor Chris Christie on Monday announced that, with the progress made in power restoration and fuel delivery efforts, New Jersey will return to pre-Sandy fueling practices for gas stations, medical professionals, and first responders. Effective 6:00 a.m. EST Tuesday, odd-even rationing will conclude in the 12 counties previously affected: Bergen, Essex, Hudson, Hunterdon, Middlesex, Morris, Monmouth, Passaic, Somerset, Sussex, Union, and Warren. Effective at 6:00 a.m. Wednesday, medical personnel will return to purchasing at traditional fuel retailers, rather than at specialized Department of Transportation locations. First responders will be permitted to continue fueling at these locations, until otherwise noticed. Odd-even fueling restrictions, provided for in Executive Order 108, had been in place since noon on November 3.

<http://www.state.nj.us/governor/news/news/552012/approved/20121112c.html>

DOE Releases More Diesel Fuel to Ease Fuel Shortages after Hurricane Sandy, Nor’easter

The U.S. Department of Energy (DOE) on Friday said it would provide the U.S. Department of Defense (DOD) with an additional 100,000 barrels of ultra-low sulfur diesel fuel from the Northeast Home Heating Oil Reserve in response to a request from the State of Connecticut, which requested the additional release to address fuel shortages that resulted primarily from curtailed supplies from New York Harbor after Hurricane Sandy and the Nor’easter. The DOD’s Defense Logistics Agency will provide emergency loans to fuel distributors in Connecticut to address fuel shortages in the state. This is the latest fuel release from the department, which said last week it would loan about 48,000 barrels of diesel to help local and federal responders in New York and New Jersey.

Reuters, 21:08 November 9, 2012

<http://energy.gov/articles/energy-department-provides-additional-emergency-fuel-loan-department-defense-part-hurricane>

Hess Working with PSEG to Restore Enough Power to Restart Its 70,000 b/d Port Reading, New Jersey Refinery

Hess Corp. late Monday said it was working with Public Service Enterprise Group, Inc. (PSEG) to determine whether there was enough electricity to restart Hess’ Port Reading refinery after PSEG’s Sewaren substation, which provides power to the refinery, went out of service Monday afternoon. Hess shut the Port Reading refinery in advance of Hurricane Sandy two weeks ago. Last week, operators said the refinery was on standby after assessing the impact of the storm on operations, waiting for full power to be restored. PSEG had restored service to the Sewaren substation Sunday, November 11, after a shutdown due to significant flooding caused by Hurricane Sandy. When the substation went out of service again on Monday, it cut power to 45,000 customers in Central New Jersey for about 2 hours.

Reuters, 09:08 November 13, 2012

<http://www.pseg.com/info/media/newsreleases/2012/2012-11-12a.jsp>

<http://www.reuters.com/article/2012/11/12/storm-sandy-pseg-hess-idUSL1E8MC6TO20121112?type=companyNews&feedType=RSS&feedName=companyNews&rpc=43>

Colonial Pipeline Working to Overcome Problems; Expects to Return to Normal Operations This Week

Colonial Pipeline on Friday said that it was working to overcome problems on its product delivery system, which connects refiners in the U.S. Gulf Coast to the northeast market, after Hurricane Sandy and last week's Nor'easter impacted the company's infrastructure in the region. The company said that although its system returned to "maximum rates," infrastructure problems in New Jersey could lead to additional slowdowns or shutdowns. Colonial reported some sequence changes and delays on stub lines since returning its main refined fuels pipeline, Line 3, to service, but it said the delays and abnormal cycle times were temporary and should be back to normal this week.

Reuters, 14:37 November 9, 2012

Reuters, 16:37 November 12, 2012

Buckeye Says Eastern Pipeline Systems Operating Normally November 12

Buckeye Partners LP said its eastern pipeline systems have resumed normal operations after impacts due to Hurricane Sandy cut power to many of its facilities supplying fuel to its eastern systems last week.

<http://www.reuters.com/article/2012/11/13/storm-sandy-buckeye-idUSWNAB00E4K20121113?type=companyNews&feedType=RSS&feedName=companyNews&rpc=43>

Phillips 66 Can Now Pump Existing Refined Product from Its 238,000 b/d Linden, New Jersey Refinery to Its Linden Terminal

Phillips 66 on Monday reported it has restored its Linden, New Jersey refinery's capability to pump existing refined product inventory to the Linden terminal; it has repaired the refinery's marine dock to receive barge shipments of fuels; and it has made arrangements with third-parties to supply fuel to the refinery and terminal through pipelines and marine transport. The company expects its Linden refinery to resume normal operations in 2-3 weeks. Work to repair or replace damaged equipment, primarily electrical equipment impacted by saltwater during the storm surge from Hurricane Sandy, is progressing. The refinery's processing units are in good condition.

Reuters, 19:00 November 9, 2012

<http://www.phillips66.com/EN/newsroom/stormcenter/Pages/index.aspx>

Motiva Resumes Limited Operations at Its Newark, New Jersey Terminal November 11

Motiva Enterprises on Tuesday said it resumed limited operations at its Newark terminal Sunday morning after completing repairs and safety checks. The company expects customers would soon be able to begin loading on all lanes. The company was still working to complete repairs and restore operations at its distribution terminals in Brooklyn and Long Island, New York.

http://www.shell.us/home/content/usa/aboutshell/media_center/storm_center/storm_updates/2012/

Kinder Morgan Restores Limited Operations at Its Perth Amboy and Staten Island Terminals by November 11

Kinder Morgan said all of its facilities were moving product inbound and outbound with limited marine operations restored at its Perth Amboy, New Jersey and Staten Island, New York terminals.

Reuters, 16:37 November 12, 2012

Electricity

Entergy's 813 MW FitzPatrick Nuclear Unit in New York Shuts Due to Turbine Trip Followed by Main Transformer and Bus Duct Fire November 11

Entergy Nuclear reported its FitzPatrick nuclear unit automatically scrambled at 3:55 a.m. EST on Sunday due to a main turbine trip signal, according to a filing with the U.S. Nuclear Regulatory Commission. Both the Main Transformer, T-1A transformer, and normal station services transformer T-4 activated their respective deluge systems due to a fire. Officials extinguished the T-1A transformer fire by 6:08 a.m., but flames persisted in the T-1A ductwork. At 5:45 a.m. operators declared an Unusual Event due to the continuing fire in the T-1A ductwork. That fire was extinguished by 6:39 a.m. Local fire officials were onsite, and no radiological release occurred, and no protective actions were required. Plant cooldown was in progress by 7:47 a.m. Operators terminated the Unusual Event declaration by 8:01 a.m. At the time of the initial turbine trip, the unit had been returning from an outage that began on November 5, when the reactor automatically scrambled from full power due to a main turbine trip. The cause of that turbine trip was under investigation.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2012/20121113en.html>

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

Update: Luminant's 1,150 MW Comanche Peak Nuclear Unit 1 in Texas Restarts by November 12, Ramps Up to Full Power by November 13

Luminant's Comanche Peak Unit 1 has returned from an outage that began November 2, when operators manually tripped the unit from full power due to high temperature indications on the 1-04 reactor coolant pump motor radial bearing, concurrent with a high/low oil reservoir level alarm.

<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 at Full Power by November 10

Nine Mile Point Unit 1 has returned from an outage that began November 3, when the reactor automatically scrambled on low reactor water level. Operators restarted the unit on November 9 after completing repairs to electrical components and valves associated with the feedwater level control system.

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

http://www.syracuse.com/news/index.ssf/2012/11/constellation_restarts_nine_mi.html

Exelon's 1,134 MW Limerick Nuclear Unit 1 in Pennsylvania Reduced to 40 Percent by November 13

On the morning of November 12 the unit was operating at full power.

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

PG&E's 1,087 MW Diablo Canyon Nuclear Unit 2 in California Reduced to 55 Percent by November 13

Operators reduced Diablo Canyon Unit 2 from full power to 85 percent by November 12, and down to 55 percent by November 13.

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

Update: Cabrillo Power's 330 MW Encina Natural Gas-Fired Unit 5 in California Returns to Service by November 11

The unit returned from an unplanned curtailment of 135 MW that began by November 8.

<http://content.caiso.com/unitstatus/data/unitstatus201211111515.html>

Calpine's 751 MW Pastoria Natural Gas-Fired Unit in California Returns to Service by November 10

The unit returned from an unplanned curtailment of 261 MW that began by November 9.

<http://content.caiso.com/unitstatus/data/unitstatus201211101515.html>

<http://content.caiso.com/unitstatus/data/unitstatus201211091515.html>

Update: NRC Says Operations at Entergy's 730 MW Palisades Nuclear Unit in Michigan Have Improved But Still Need Heightened Oversight

The U.S. Nuclear Regulatory Commission (NRC) on Friday reported the results of special inspections it conducted to evaluate Entergy Nuclear's resolution of safety issues identified at its Palisades nuclear power plant in 2011. The Palisades plant experienced several unplanned shutdowns in 2011, including a week-long shutdown in September caused by a worker who did not follow proper procedures during routine maintenance. In its most recent report, NRC inspectors concluded that the plant has taken appropriate actions to address last year's findings, and the plant's safety culture has become adequate and is improving. However, the commission will continue to conduct special inspections at the plant in 2013 to ensure remaining corrective actions at the site are properly implemented and can be sustained; and the leaks that occurred at the plant in 2012—and the plant's proposed corrective actions—are well understood so that these issues will not lead to additional safety concerns.

<http://pbadupws.nrc.gov/docs/ML1231/ML12314A358.pdf>

Union of Concerned Scientists Says 353 Coal-Fired Power Plants in the United States are ‘Ripe for Retirement’

The Union of Concerned Scientists on Tuesday released a report that concludes as many as 353 coal-fired power plants in the United States are old, inefficient, dirty, and no longer economically competitive as compared with cleaner, more affordable energy sources and should be considered for closure. The report also concludes that by ramping up underutilized natural gas plants, increasing renewable energy through existing state policies, and reducing demand through improved energy efficiency, every region in the country could more than replace the electricity currently produced by ripe-for-retirement generators. The states with the most ripe-for-retirement generating capacity are primarily in the U.S. Southeast and Midwest, with the top five (in order) being Georgia, Alabama, Tennessee, Florida, and Michigan.

http://www.ucsusa.org/clean_energy/smart-energy-solutions/decrease-coal/ripe-for-retirement-closing-americas-costliest-coal-plants.html

Petroleum

U.S. to Overtake Saudi Arabia as Top Oil Producer by 2017, Moving Toward Energy Self-Sufficiency by 2035 – International Energy Agency

The International Energy Agency on Monday released the 2012 edition of its annual *World Energy Outlook*, which predicts the United States will overtake Saudi Arabia and Russia as the world's top oil producer by 2017. The report also predicts the United States will become a net exporter of natural gas by 2020 and will be almost energy self-sufficient by 2035. North America will emerge as a net oil exporter by 2035, with almost 90 percent of Middle Eastern oil exports being drawn to Asia by 2035.

Reuters, 10:46 November 12, 2012

<http://www.iea.org/newsroomandevents/pressreleases/2012/november/name,33015,en.html>

Update: Valero Restarts FCCU at Its 310,000 b/d Port Arthur, Texas Refinery by November 12 after Making Repairs Following Pump Fire November 3

Valero Energy Corp. on Tuesday reported it had restarted the fluid catalytic cracking unit (FCCU) at its Port Arthur refinery and was increasing the unit to planned rates. Operators had shut the unit on November 3 following a pump fire at the facility.

Reuters, 09:59 November 13, 2012

Tesoro's 166,000 b/d Martinez, California Refinery Operating at Planned Rates November 12 after Shutting Unspecified Unit to Repair Small Vapor Leak November 8

Tesoro Corp. was operating its Martinez refinery at planned rates by November 12 after performing unplanned maintenance last week, a spokeswoman said. The refinery on November 8 reported operators were performing a controlled shutdown of an unspecified unit to repair a small vapor leak of light hydrocarbons, according to a filing with the Contra Costa County Health Department Hazardous Materials Program.

Reuters, 11:16 November 12, 2012

<http://www.bloomberg.com/news/2012-11-12/california-gasoline-drops-as-exxon-scheduled-to-finish-repairs.html?cmpid=yhoo>

Update: ExxonMobil Restarts Hydrocracker at Its 149,500 b/d Torrance, California Refinery November 12

ExxonMobil Corp. was restarting a hydrocracking unit at its Torrance refinery on Monday and expected the unit to resume normal operation by Tuesday, according to sources familiar with refinery operations. Operators shut the unit on November 2 for repairs to a steam line, the sources said. The refinery had reported in a filing with regulators that operators were performing repairs on an unspecified unit and expected repairs to continue through November 12.

Reuters, 20:33 November 12, 2012

Natural Gas

ONEOK Partners Announces Open Season for 110,000 b/d Bakken NGL Pipeline

ONEOK Partners, L.P. today announced that it is holding an open season for its previously announced Bakken Natural Gas Liquids (NGL) Pipeline, an approximately 600-mile pipeline that will initially transport 60,000 b/d of unfractionated NGLs from the Bakken Shale in the Williston Basin to an interconnection with the partnership's 50 percent-owned Overland Pass Pipeline in northern Colorado. The Bakken NGL Pipeline is currently under construction and is expected to be in service during the first quarter of 2013. The partnership plans to expand the pipeline's capacity to 110,000 b/d by installing additional pump stations, with completion expected in the third quarter of 2014.

http://ir.oneokpartners.com/phoenix.zhtml?c=104562&p=irol-newsArticle_Print&ID=1758036

http://ir.oneokpartners.com/phoenix.zhtml?c=104562&p=irol-newsArticle_print&ID=1552393&highlight=

Update: Piedmont Joins Williams Partners, Cabot in Joint Venture to Build 650 MMcf/d Constitution Natural Gas Pipeline to Transport Marcellus Production to U.S. Northeast

Piedmont Natural Gas today announced its investment in Constitution Pipeline Company, LLC, a previously announced natural gas pipeline project slated to transport natural gas supplies from the Marcellus supply region in northern Pennsylvania to major U.S. Northeastern markets. Piedmont joins Williams Partners L.P. and Cabot Oil and Gas Corporation as a 24 percent equity participant in the joint venture. Williams Partners will construct, operate, and maintain the new 30-inch, 121-mile transmission pipeline, which is fully contracted to transport 650 MMcf/d. The pipeline will connect with the Iroquois Gas Transmission and Tennessee Gas Pipeline systems in Schoharie County, New York. Construction of the new pipeline is expected to begin in April 2014 with an in-service date of March 2015. Constitution Pipeline is currently in the pre-filing process with the Federal Energy Regulatory Commission and plans to file a formal certificate application with the FERC in the spring of 2013.

<http://constitutionpipeline.com/>

<http://www.piedmontng.com/about/aboutpng/newsarticle.aspx?id=141>

Other News

Nothing to report

International News

Shell Shuts 25,000 b/d Imo River Pipeline in Nigeria October 31 Due to Theft Damage

Royal Dutch Shell Plc on Sunday reported its Nigerian subsidiary on October 31 shut the 12-inch Imp River Trunkline in the southern delta due to damage caused by thieves. The shutdown has cut production by about 25,000 b/d, the company said. Operators shut the line after discovering six crude theft points along the pipeline, three of which had been repaired by November 11. Shell said two crude oil theft valves had also been attached to its Trans-Niger Pipeline on Sunday, but these had been closed off and the pipeline was being reopened.

Reuters, 11:11 November 11, 2012

<http://finance.yahoo.com/news/royal-dutch-shell-shuts-down-223503028.html>

ExxonMobil Shuts Crude Oil Pipeline Offshore Nigeria November 10 after Discovering Leak November 9

ExxonMobil Corp. reported its Nigerian subsidiary on November 10 shut a pipeline from a facility offshore Akwa Ibom State after discovering a leak had released at least 200 barrels of crude oil on November 9. Operators had located the source of the leak and had isolated and shut the pipeline down, the company said. The cause of the spill was under investigation.

<http://www.bloomberg.com/news/2012-11-12/exxon-mobil-cleaning-up-oil-spill-on-nigerian-coast.html?cmpid=yahoo>

<http://finance.yahoo.com/news/exxon-shuts-pipeline-oil-leak-150224241.html>

Nexen Restarts Operations at Its Buzzard Oilfield in the North Sea November 12 after Power Outage November 11; Exports Expected to Resume Late November 12

Reuters, 10:35 November 12, 2012

Energy Prices

U.S. Oil and Gas Prices			
November 13, 2012			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	85.72	88.47	98.02
NATURAL GAS Henry Hub \$/Million Btu	3.40	3.61	3.55

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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