



ENERGY ASSURANCE DAILY

Thursday Evening, November 15, 2012

Major Developments

Update: TransCanada Says Its 590,000 b/d Keystone Pipeline at Normal Rates by November 15 after Power Outage Led to Rate Reductions, Force Majeure Declaration

TransCanada Corp. on Thursday said its 590,000 b/d Keystone oil pipeline had resumed normal rates of about 500,000 b/d after a weekend power outage due to extreme cold weather and icy conditions in Manitoba forced a reduction in volumes. Power was restored Tuesday, but TransCanada on Wednesday declared force majeure on some shipments due to rate reductions. The company was working with shippers to reschedule deliveries. 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.

DJN, 10:56 November 15, 2012

Electricity

Interstate Power and Light Co. Seeks Regulatory Approval for Proposed 600 MW Marshalltown Natural Gas-Fired Generating Station in Iowa

Interstate Power and Light Company (IPL), a subsidiary of Alliant Energy Corporation, on Wednesday filed with the Iowa Utilities Board (IUB) two applications seeking regulatory approval for construction of the proposed 600 MW combined-cycle, natural gas-fired Marshalltown Generating Station in Marshalltown, Iowa. IPL expects to receive an IUB decision on its application in the fourth quarter 2013. IPL also expects to make related filings with the Minnesota Public Utilities Commission in the next 30 days. If approved, IPL expects construction to begin by the end of 2014, with an anticipated in-service date of 2017.

<http://www.alliantenergy.com/AboutAlliantEnergy/Newsroom/NewsReleases/032302>

<http://www.alliantenergy.com/AboutAlliantEnergy/CompanyInformation/AlliantEnergyCompanies/032225>

Update: Constellation Shuts 1,120 MW Nine Mile Point Nuclear Unit 2 in New York by November 15 to Repair Steam Valves

Constellation Energy Nuclear Group on Tuesday reported it had begun reducing power on its Nine Mile Point Unit 2 on November 10 in preparation for a planned outage to repair a valve in the main steam tunnel. Nine Mile Point Unit 1 was operating at 86 percent power Thursday morning.

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

CDWR's 933 MW Hyatt-Thermalito Hydro Unit in California Reduced by November 14

The unit entered a curtailment of 594 MW that was due to planned and unplanned causes.

<http://content.caiso.com/unitstatus/data/unitstatus201211141515.html>

Dynegy's 325 MW Morro Bay Natural Gas-Fired Unit 3 and 325 MW Natural Gas-Fired Unit 4 in California Shut by November 14

The units entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201211141515.html>

U.S. Electric Power Grid Vulnerable to Attack – National Research Council

The National Research Council on Wednesday released a report that concludes the U.S. electric power delivery system could be severely damaged by a small number of well-informed attackers due to vulnerabilities presented by transmission lines that span hundreds of miles, key facilities going unguarded, and heavily stressed bulk high-voltage systems, among other factors. *Terrorism and the Electric Power Delivery System* focuses on measures that could make the grid less vulnerable to attacks, restore power faster after an attack, and make critical services less vulnerable while the delivery of conventional electric power has been disrupted.

Reuters, 15:04 November 14, 2012

http://books.nap.edu/catalog.php?record_id=12050

Petroleum

Power Outage Shuts Operating Units at Motiva's 235,000 b/d Convent, Louisiana Refinery November 13

Motiva Enterprises reported emissions from its Convent refinery Tuesday night were due to a power outage in the area, which shut unspecified operating units, according to filings with the U.S. National Response Center. Operators were stabilizing one unit at a time and monitoring the facility, the filings said.

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1030489

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1030464

Gas Compressor Trip Causes Emissions at Phillips 66's 362,000 b/d Wood River, Illinois Refinery November 13

Phillips 66 reported emissions at its Wood River refinery on Tuesday after an unspecified gas compressor tripped, according to a filing with state regulators. The refinery also reported unspecified refining unit upsets on November 8 and 9, according to local regulators.

<http://www.nasdaq.com/article/refinery-status-hess-port-reading-new-jersey-refinery-in-restart-mode-20121114-01236>

Unspecified Unit Upset Triggers Flaring at Shell's 329,800 b/d Deer Park, Texas Refinery November 15

Shell Oil Co. reported an unspecified unit upset triggered flaring at its Deer Park refinery Wednesday night, according to a spokeswoman.

Reuters, 22:01 November 14, 2012

Update: Sunoco Completes 2 Million-Barrel Capacity Expansion at Its Eagle Point Oil Products Storage Terminal in New Jersey

Sunoco Logistics has completed a previously announced storage capacity expansion project at its Eagle Point terminal in New Jersey, more than a month earlier than previously expected, trade sources said on Wednesday. Sunoco had originally expected to make the expansion fully operational by the end of 2012. The project returned 2 million barrels of additional storage to service, boosting total capacity at the terminal to 5 million barrels; improved its ability to handle large vessels at the deepwater marine docks; upgraded its ability to handle rail car offloading; and installed pipeline connectivity between Eagle Point and the Colonial Pipeline, Laurel Pipeline, and Harbor Pipeline systems. The company is also developing plans to reverse pipelines to feed the Belmont Terminal in Philadelphia.

http://www.tankterminals.com/news_detail.php?id=2101

North Dakota Posts Oil Output Record after Producing 173.9 Million Barrels through September; Expects to Post More Than 200 Million Barrels by Year-End

North Dakota's Department of Mineral Resources on Tuesday said oil production in the state is on track to break the annual record for the fifth consecutive year, by more than 50 million barrels, according to estimates. The department reported crude production through September totaled more than 173.9 million barrels, up from the record 152.9 million barrels set last year. After producing 21.7 million barrels in August, and 21.8 million barrels in September, officials estimate the state will end the year at more than 200 million barrels.

<http://www.postbulletin.com/news/stories/display.php?id=1514826>

Update: Williams' 647 MMcf/d Rockaway Natural Gas Lateral Pipeline Project Approved to Cross National Park in New York

The U.S. House of Representatives on Wednesday approved the New York City Natural Gas Supply Enhancement Act, which will allow Williams Co. to move forward with a pipeline project to provide another natural gas delivery point from its Transco pipeline to the Rockaways and New York City. The Act authorizes the Secretary of Interior to allow the construction and operation of natural gas pipeline facilities in the Queens and Brooklyn portions of the Gateway National Recreation Area. The bill was passed by the Senate on September 22, 2012. Williams' Rockaway Delivery Lateral Project would involve the construction of a 3.17-mile, 26-inch pipeline lateral interconnecting with a 26-inch lateral pipeline proposed to be constructed by Williams' utility customer National Grid. Williams has reported the pipeline has implemented agreements for 647 MMcf/d of firm transportation capacity. The project is scheduled to be in service as early as November 2014.

<http://www.examiner.com/article/rockaway-pipeline-approved-to-cross-national-park-sandy-impacted-area>

<http://co.williams.com/williams/operations/gas-pipeline/expansion-projects/transco-expansion-projects/rockaway-lateral-project/>

El Paso Natural Gas to Provide 200 MMcf/d of National Gas Capacity via Proposed Sasabe Lateral Pipeline from Tucson to U.S.-Mexico Border in Arizona

El Paso Natural Gas (EPNG), owned by Kinder Morgan Energy Partners, L.P. and Kinder Morgan, Inc., has entered into a 25-year transportation precedent agreement in connection with plans to build a new pipeline to serve customers in Mexico. Terms call for EPNG, acting through its affiliate Sasabe Pipeline Company, to initially provide approximately 200 MMcf/d of firm transportation capacity via a new, 60-mile, 36-inch lateral pipeline that would extend from EPNG's existing south mainlines, near Tucson, Arizona, to the U.S.-Mexico border, terminating at Sasabe, Arizona. The proposed Sasabe Pipeline would interconnect via a new international border crossing with a 36-inch natural gas pipeline to be built in Mexico. Pending approval from the U.S. Federal Energy Regulatory Commission and a presidential permit for an interconnection/border crossing at the international boundary, construction would begin in the first quarter of 2014, with anticipated in-service in September 2014.

<http://phx.corporate-ir.net/phoenix.zhtml?c=93621&p=irol-newsArticle&ID=1758752>

Turbine Snag Causes Emissions at DCP Midstream's 160 MMcf/d Goldsmith Gas Plant in Texas November 14

DCP Midstream reported the B Turbine at its Goldsmith plant went down on a fuel relay snag Wednesday afternoon, 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=176048>

Third-Party Power Outage Leads to Emissions at Enbridge's 65 MMcf/d Henderson Gas Plant in Texas November 11

Enbridge reported emissions from its Henderson plant after it experienced a power loss due to a third-party provider outage late Sunday night, 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=175959>

Other News

Stuxnet Computer Virus Infected Chevron's IT Network in 2010 – Chevron Manager

Chevron has acknowledged that its systems were infected by the computer virus Stuxnet after the malware was first reported in July 2010, though it did not adversely affect its systems, according to a general manager with the company.

<http://blogs.wsj.com/cio/2012/11/08/stuxnet-infected-chevrons-it-network/>

Statoil Shuts 120,000 b/d Troll C Platform in the North Sea after Discovering Corrosion in Auxiliary Gas Treatment System November 15

Statoil today reported it has temporarily halted production on the Troll C platform in the North Sea pending further investigation of corrosion found in the auxiliary system for gas treatment. During a scheduled inspection on the platform, corrosion was discovered on a tank in the glycol system, which is an auxiliary system for treating gas on the platform. A similar tank in a parallel gas treatment system is currently being checked. Operators have said capacity reductions may continue “for a while” because one of the tanks must be repaired. Troll C has a daily production of around 120,000 barrels of oil and 10.5 million cubic meters of gas. The shutdown reduces Norway’s oil production, which averaged 1.47 MMb/d in October, by around 8 percent. Gas production totaled 10 billion meters per day in October but was averaging 300 million cubic meters per day lately, making the impact to Norwegian gas output about 3 percent, according to analysts.

http://www.statoil.com/en/NewsAndMedia/News/2012/Pages/15Nov_TrollC.aspx

<http://www.reuters.com/article/2012/11/15/statoil-troll-shutdown-idUSL5E8MFBY120121115?type=companyNews&feedType=RSS&feedName=companyNews&rpc=43>

Shell Sees Iraq Majnoon Oilfield Output at More Than 200,000 b/d in 2013

Shell plans to resume operations at the Majnoon oilfield, currently shut for maintenance, in the first quarter of 2013, with output of 44,600 b/d and 50,200 b/d in second quarter. Shell is targeting 201,700 b/d output there in the third quarter and 202,700 b/d in the fourth.

[http://www.reuters.com/article/2012/11/12/iraq-shell-majnoon-](http://www.reuters.com/article/2012/11/12/iraq-shell-majnoon-idUSL5E8MC8BM20121112?feedType=RSS&feedName=rbssEnergyNews&rpc=43)

[idUSL5E8MC8BM20121112?feedType=RSS&feedName=rbssEnergyNews&rpc=43](http://www.reuters.com/article/2012/11/12/iraq-shell-majnoon-idUSL5E8MC8BM20121112?feedType=RSS&feedName=rbssEnergyNews&rpc=43)

Energy Prices

U.S. Oil and Gas Prices			
November 15, 2012			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	85.96	85.11	98.83
NATURAL GAS Henry Hub \$/Million Btu	3.66	3.59	3.17

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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