



# ENERGY ASSURANCE DAILY

Wednesday Evening, November 16, 2011

## ***Major Development***

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### **Explosion Shuts 25-Inch Segment of El Paso's Tennessee Gas Pipeline in Ohio November 16**

The 25-inch, high-pressure pipeline ruptured and exploded Wednesday morning in Athens County, Ohio, destroying at least two buildings, starting a number of fires, and sending a woman to the hospital for respiratory symptoms. According to a county official the fires were out before noon and clean-up efforts were underway. An El Paso spokesman said that the affected segment has been isolated and gas flow to the segment has been shut. The spokesman could not confirm how much gas was traveling through the pipeline at the time of the explosion. The Tennessee Gas Pipeline stretches from the Mexican border to Canada and has multiple supply and delivery points along the way. According to data from the Energy Information Administration, the Tennessee Gas Pipeline has a capacity of 1,777 MMcf/d at the Kentucky-Ohio border.

<http://www.reuters.com/article/2011/11/16/us-explosion-ohio-idUSTRE7AF2IK20111116>

[http://www.washingtonpost.com/national/authorities-report-gas-line-explosion-in-southern-ohio-but-no-immediate-word-of-injuries/2011/11/16/gIOAQ9pORN\\_story.html](http://www.washingtonpost.com/national/authorities-report-gas-line-explosion-in-southern-ohio-but-no-immediate-word-of-injuries/2011/11/16/gIOAQ9pORN_story.html)

<http://www.tennesseeadvantage.com/default.asp>

## ***Electricity***

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### **Update: Dominion's 903 MW North Anna Nuclear Unit 1 in Virginia Ramped Up to 72 Percent by November 16**

The Nuclear Regulatory Commission reported that on the morning of November 15 the unit was operating at 8 percent.

Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2011/>

### **NRC Issues Minor Safety Violations after Inspection of Exelon's 2,276 MW Limerick Nuclear Plant in Pennsylvania**

The Nuclear Regulatory Commission (NRC) has issued a report citing safety violations and problems at the Limerick plant following inspections that were conducted in conjunction with Exelon's application to renew its license to operate both reactors at the plant for another 20 years. The report issues a "white finding" (a color-coded indicator of low to moderate safety significance) related to the failure of two safety components involving cooling and containment functions for the nuclear reactor core. When a valve failed to fully shut, the cooling and containment functions were inoperable from April 23 to May 23. The NRC report also issues two less serious "green findings" (very low safety significance) related to two unscheduled reactor shutdowns this spring. The NRC found that each of these issues were the result of inadequate guidance or instructions on the part of Exelon personnel.

<http://pottsmmerc.com/articles/2011/11/13/news/doc4ec088f781ba5091350842.txt?viewmode=fullstory>

## **Southern California Edison Selects Quanta Services to Construct 500 kV Devers-Palo Verde 2 Transmission Project in California**

Quanta Services, Inc. today announced that Southern California Edison (SCE) has selected PAR Electrical Contractors, Inc., a Quanta Services operating unit, to construct transmission infrastructure for SCE's Devers-Palo Verde 2 transmission project. Quanta's scope of services for the project consists of the construction of a new, 153-mile, 500 kV electric transmission line in an existing corridor. Construction is expected to begin by the end of the fourth quarter of 2011 and line construction activities are estimated to be complete in the third quarter of 2013. The Devers-Palo Verde No. 2 project will provide interconnection and electrical transmission for numerous solar energy generators proposed for construction near Blythe, California.

<http://investors.quantaservices.com/phoenix.zhtml?c=75389&p=irol-newsArticle&ID=1630923>

## **First Wind Purchases Turbines for 34 MW Bull Hill Wind Project in Maine and 105 MW Palouse Wind Project in Washington**

First Wind, an independent U.S.-based wind energy company, announced Tuesday that it has reached agreement with Vestas to purchase 77 V100-1.8 MW turbines to be deployed at projects under development in Maine and Washington. First Wind will deploy 19 turbines to its proposed 34 MW Bull Hill Wind Project in Hancock County, Maine and sell output to NSTAR via a long-term power purchase agreement. First Wind will deploy 58 turbines to its 105 MW Palouse Wind Project in Whitman County, Washington and sell output to Avista via a long-term power purchase agreement. Deliveries for Palouse and Bull Hill are scheduled for mid-2012, and both projects are expected to be commissioned and operational in late 2012.

[http://www.firstwind.com/sites/default/files/Vestas\\_Bull%20Hill-Palouse\\_FINAL\\_111511\\_0.pdf](http://www.firstwind.com/sites/default/files/Vestas_Bull%20Hill-Palouse_FINAL_111511_0.pdf)

## ***Petroleum***

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### **Update: Enbridge Enters Agreement to Acquire 50 Percent Interest in Seaway Crude Pipeline, Agrees with Co-Owner Enterprise to Reverse Flow to Supply U.S. Gulf Coast**

Enbridge Inc. announced today that it has entered into an agreement to acquire ConocoPhillips' 50 percent interest in the Seaway Crude Pipeline System (SCPS). On closing, Enbridge will become joint owner of the pipeline with Enterprise Products Partners L.P. The 670-mile SCPS includes the 500-mile, 30-inch long-haul system from Freeport, Texas to Cushing, Oklahoma, as well as the Texas City Terminal and Distribution System, which serves refineries in the Houston and Texas City areas. Enbridge and Enterprise have agreed to reverse the direction of crude oil flows on the Seaway Pipeline to enable it to transport oil from Cushing, Oklahoma to the U.S. Gulf Coast. Pending regulatory approval, the line could operate in reversed service with an initial capacity of 150,000 b/d by second quarter 2012 and upwards of 400,000 b/d in mixed service by early 2013, following pump station additions and modifications. After reversing direction, Seaway will utilize existing affiliate and third-party pipelines as well as its Texas City local pipeline system to deliver crude. Enbridge and Enterprise plan to build a 45-mile pipeline that will link Seaway directly to Enterprise's ECHO crude oil storage terminal located southeast of Houston. This will provide shippers with enhanced connectivity and more efficient transportation to the Houston refining market.

<http://phx.corporate-ir.net/preview/phoenix.zhtml?c=80547&p=irol-newsArticle&ID=1631065>

<http://www.enbridge.com/MediaCentre/News.aspx?yearTab=en2011&id=1530770>

### **Update: Enterprise Cancels Wrangler Pipeline Project in Favor of Reversing the Seaway Pipeline to Bring Crude Oil from Cushing, Oklahoma to U.S. Gulf Coast**

Enterprise Product Partners L.P. said Wednesday that it will cancel its plans to build the 36-inch, 800,000 b/d Wrangler crude oil pipeline, a project it announced jointly with Enbridge Inc. in late September. The two companies planned for the pipeline to extend from Enbridge's hub in Cushing, Oklahoma approximately 500 miles to Enterprise's ECHO storage terminal in Harris County, Texas, providing access to Texas Gulf Coast refineries. However, Enbridge and Enterprise announced today that they will reverse the Seaway Crude Pipeline System (see previous story), thus making the Wrangler project redundant.

DJN, 11:24 November 16, 2011

<http://phx.corporate-ir.net/preview/phoenix.zhtml?c=80547&p=irol-newsArticle&ID=1611335>

<http://www.enbridge.com/MediaCentre/News.aspx?yearTab=en2011&id=1506504>

### **ExxonMobil Indefinitely Shuts Its Southwest System Pipeline Carrying HLS Crude**

ExxonMobil Pipeline Co. shut down the 12-inch pipeline, which carries Heavy Louisiana Sweet (HLS) crude oil, after the U.S. Pipeline and Hazardous Materials Safety Administration (PHMSA) refused a request to modify repair criteria for a segment of the line running from South Bend to Krotz Springs, Louisiana, a spokeswoman said Wednesday. The company has made alternative arrangements available to shippers, according to the spokeswoman. ExxonMobil announced in July that it was temporarily shutting part of the line for maintenance and predicted the shutdown would last a few weeks.

Reuters, 10:52 November 16, 2011

<http://www.reuters.com/article/2011/11/16/exxonmobil-pipeline-hls-idUSN1E7AF0LS20111116?type=companyNews&feedType=RSS&feedName=companyNews&rpc=43>

### **PHMSA Reports Problems with ExxonMobil, CHS, and ConocoPhillips's Oil Pipelines at River Crossings in Montana and Wyoming**

The U.S. Pipeline and Hazardous Materials Safety Administration (PHMSA) on Tuesday reported problems with pipelines carrying oil, refined petroleum, and other hazardous liquids across seven major river crossings and hundreds of smaller crossings in Montana and northern Wyoming, according to local news sources. The problems could put the lines at increased risk of failure, according to PHMSA officials, and must be fixed by spring or the companies that own them will face enforcement actions. Reports indicate that pipelines cited cross the Missouri, Musselshell, Gallatin, Tongue, and other rivers and are owned by three companies: ExxonMobil, CHS, and ConocoPhillips. Some repairs already are under way, according to company representatives.

[http://www.denverpost.com/news/ci\\_19340709?source=rss](http://www.denverpost.com/news/ci_19340709?source=rss)

### **Shell Reports HDU-2 Startup at Its 329,800 b/d Deer Park, Texas Refinery November 11**

Shell reported that on November 11, about 7,400 pounds of sulfur dioxide was released through the East Property Flare, exceeding the facility's sulfur dioxide limit by about 40 pounds. Operators believe the event was caused while starting the No. 2 hydrogen desulfurization unit (HDU-2). Operators made adjustments to minimize emissions.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=161749>

### **Transmontaigne Degasses Propane Tank to Repair Valve Leak at Brownsville, Texas Petroleum Product Storage Facility November 14**

Transmontaigne reported that a valve on liquid propane storage Tank 8018 began to leak November 14, causing propane gas emissions. Operators isolated the tank from the manifold to reduce the possibility of venting material from other tanks. The next day, operators degassed the tank to the flare to repair the leaking valve.

Transmontaigne's Brownsville terminal has approximately 2.1 million barrels of aggregate active storage capacity, which includes a liquefied petroleum gas terminal with aggregate active storage capacity of approximately 15,000 barrels.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=161732>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=161774>

<http://www.transmontaignepartners.com/00-About.php>

### **Shell Reports Flange Leak at Its 236,400 b/d Norco, Louisiana Refinery November 15**

Shell Chemical Motiva informed the U.S. National Response Center Tuesday that hydrogen sulfide was releasing from an overhead process line due to a flange leak. Operators were monitoring the ongoing leak outside the refinery at the time of the filing.

[http://www.nrc.uscg.mil/reports/rwservlet?standard\\_web+inc\\_seq=995526](http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=995526)

### **ExxonMobil Preparing to Shut 307,000 b/d Antwerp, Belgium Oil Refinery Due to Workers Strike November 23**

ExxonMobil Corp. is preparing to halt units at its Antwerp refinery on November 18 and will fully shut the refinery on November 23, which is the date refinery workers are planning to strike, a company spokesman told reporters today.

<http://www.bloomberg.com/news/2011-11-16/exxon-preparing-to-shut-antwerp-oil-refinery-for-strike-1-.html?cmpid=yhoo>

## **Nexen's Buzzard Oilfield in the U.K. North Sea Remains Below Its Full Rate of 200,000 b/d – Traders**

Trading sources indicated Wednesday that oil output from the Buzzard oilfield in the North Sea, the U.K.'s largest field, remains reduced. The field's operator, Nexen, said in a statement late on Monday that output had recovered after a production trip the previous day. Nexen reported on October 27 that the field's output would vary. Though Nexen did not respond to inquiries Tuesday, trading sources indicated that output remained below the full rate of at least 200,000 b/d and would cause Nexen to defer its cargo.

<http://www.reuters.com/article/2011/11/16/oil-buzzard-outage-idUSL5E7MG2ON20111116?type=companyNews&feedType=RSS&feedName=companyNews&rpc=43>

## **Update: Iraqi Oil Ministry Taking Measures to Cancel Contract after ExxonMobil Signs Exploratory Contracts with Kurdistan Regional Government**

The Iraqi Oil Ministry is undertaking measures to cancel an agreement with ExxonMobil, according to an official, after the company breached the contract and regulations barring it from making deals with the semi-autonomous Kurdistan Regional Government. ExxonMobil recently signed contracts to explore six blocks in northern Iraq, an adviser to the regional authority said on November 11.

<http://www.bloomberg.com/news/2011-11-16/iraq-says-exxon-mobil-deal-to-end-if-it-works-with-kurdistan.html?cmpid=yhoo>

## **Natural Gas**

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### **Atlas Pipeline Partners to Construct New 200 MMcf/d Gas Processing Plant at Its WestTX Facility in Texas**

Atlas Pipeline Partners, L.P. (the Partnership) announced Tuesday its plans to construct a new 200 MMcf/d cryogenic processing plant to accommodate rapidly increasing Permian production. The Partnership will construct the new Driver plant in two phases: the first phase will construct the plant and associated compression equipment to process 100 MMcf/d for service in the first quarter of 2013; the second phase will install additional compression and refrigeration equipment to increase the plant's capacity to 200 MMcf/d, for service in the first quarter of 2015. Completion of both phases will increase processing capacity at the Partnership's WestTX facility from 255 MMcf/d to 455 MMcf/d.

<http://phx.corporate-ir.net/phoenix.zhtml?c=113240&p=irol-newsArticle&ID=1630800&highlight=>

### **FERC Approves CNYOG's MARC 1 Natural Gas Pipeline in Northern Pennsylvania**

The Federal Energy Regulatory Commission (FERC) on Monday approved the 39-mile MARC 1 Pipeline that Central New York Oil and Gas Co. LLC (CNYOG), a subsidiary of Inergy LP, has proposed to build through Pennsylvania's Endless Mountains region.

<http://www.stargazette.com/article/20111115/NEWS01/111150354/Gas-pipeline-northern-Pennsylvania-approved-challenge-vowed?odyssey=mod|newswell|text|FRONTPAGE|p>

### **Update: DCP Midstream Declares Force Majeure due to Emergency Turnaround at Its 70 MMcf/d Fullerton Gas Plant in Texas November 14**

DCP Midstream reported that an emergency turnaround was causing emissions Tuesday. The event led several gas production facility operators in the area to flare excess gas until DCP was ready to accept processed gas again, including Noble Energy, XTO Energy, and Devon Energy Production Company, according to numerous filings with the Texas Commission on Environmental Quality (TCEQ). Noble Energy's TCEQ filing states that DCP Midstream issued a force majeure letter on November 14 that states the Fullerton plant will be down an extra 5–7 days.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=161730>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=161742>

### **Occidental Permian Shuts Inlet Gas Compressor to Change Bad Valves, Leads to Flaring at Its 80 MMcf/d Wasson CO2 Removal Plant November 15**

Occidental reported that operators adjusted the actuator and shut the No. 1 inlet compressor to change problematic compressor block valves. Operators also took the time to change out bad valves on the No. 5 cylinder.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=161780>

## Other News

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### Update: Ameren Corp. May Relinquish Control of FutureGen 2.0 Carbon-Capture Project in Illinois Due to Financial Constraints

Ameren Corp. has said that it might relinquish its control of the FutureGen 2.0 Carbon-Capture project to other partners of the FutureGen Industrial Alliance due to financial difficulties that could jeopardize the project, according to news reports Wednesday. The project, which was funded in part by \$1 billion from the American Recovery and Reinvestment Act of 2009, was originally proposed in 2003 as a project to convert a 200 MW oil-fired unit at Ameren's Meredosia, Illinois power plant with a coal-fired unit, at which 90 percent of the carbon dioxide (CO2) emissions would be captured and stored. The project stalled in 2007 due to increasing costs, but in 2010 the project received additional funds under the Recovery Act. The Alliance was also planning to build a CO2 pipeline network from the Meredosia plant to the sequestration site. The pipeline and storage site would transport and store more than 1 million tons of captured CO2 per year.

<http://www.businessweek.com/news/2011-11-16/ameren-said-to-be-in-talks-to-hand-over-carbon-capture-project.html>

[http://www.nytimes.com/2011/11/11/business/energy-environment/coal-project-hits-snag-as-a-partner-backs-off.html?\\_r=1](http://www.nytimes.com/2011/11/11/business/energy-environment/coal-project-hits-snag-as-a-partner-backs-off.html?_r=1)

## Energy Prices

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U.S. Oil and Gas Prices			
November 16, 2011			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	101.65	97.48	82.94
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	3.12	3.44	3.66

Source: Reuters

## Energy Notes

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### Market Experts and Energy Officials Tell Senate Committee the U.S. Has Little Reason to Slow Exports of Domestic LNG

[http://www.downstreamtoday.com/news/article.aspx?a\\_id=28561](http://www.downstreamtoday.com/news/article.aspx?a_id=28561)

### Update: Chevron Says It Has Halted Oil Leak at Frade Project, Offshore Brazil November 16; Estimates 882 Barrels of Crude Reached the Surface

<http://www.bloomberg.com/news/2011-11-15/transocean-says-no-oil-leaking-from-chevron-well-offshore-brazil.html?cmpid=yhoo>

### Failed Turbine Control System Leads to Excess Emissions at University of Texas's Hal C Weaver Power Plant in Austin November 14

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=161750>

## 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 & 1:00 PM EST every Wednesday.

***Natural Gas Weekly Update*** from EIA

<http://www.eia.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM EST every Thursday.

### ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/ead.aspx>

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