



ENERGY ASSURANCE DAILY

Thursday Evening, November 29, 2012

Major Developments

Update: Motiva Could Begin Restarting 325,000 b/d CDU at Its 600,000 b/d Port Arthur, Texas Refinery Next Week

Motiva Enterprise LLC could begin restarting the damaged 325,000 b/d crude distillation unit (CDU) at its Port Arthur refinery as early as next week, a Motiva spokeswoman said Wednesday. Sources familiar with refinery operations added that the unit could be in production by the end of December. 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. The restart process may take weeks, and the company is still targeting early 2013 for full operations.

Reuters, 17:22 November 28, 2012

http://www.downstreamtoday.com/news/article.aspx?a_id=37845

Electricity

New York Tells Consolidated Edison to Prepare a Contingency Plan in Case Entergy's 2,063 MW Indian Point Nuclear Power Plant in New York Shuts

The New York Public Service Commission (NYPS) on Tuesday directed Consolidated Edison Inc. to work with the New York Power Authority (NYPA) to develop a contingency plan to address the needs that would arise in the event that Entergy's Indian Point nuclear power plant, which supplies about a quarter of the city's electricity, is forced to shut down. Entergy has applied to renew for 20 more years the operating licenses for the two reactors at the plant, whose current licenses expire in 2013 and 2015. New York Governor Andrew Cuomo wants the two reactors at Indian Point decommissioned when their operating licenses expire, citing safety concerns about the plant's location in the heavily populated New York metropolitan area. Entergy maintains that the plant will continue to safely operate.

<http://www.reuters.com/article/2012/11/28/us-utilities-entergy-indianpoint-idUSBRE8AR18Z20121128>

[http://www3.dps.ny.gov/pscweb/WebFileRoom.nsf/ArticlesByCategory/91901CBF02E4DFA285257AC300651F1A/\\$File/pr12082.pdf?OpenElement](http://www3.dps.ny.gov/pscweb/WebFileRoom.nsf/ArticlesByCategory/91901CBF02E4DFA285257AC300651F1A/$File/pr12082.pdf?OpenElement)

Update: Timeline to Build Two New 1,100 MW Reactors is Further Delayed at Southern's Vogtle Nuclear Plant in Georgia

Southern Co. on Tuesday said that contractors building two new 1,100 MW nuclear reactors at Plant Vogtle in Georgia have indicated the first reactor may be further delayed, potentially pushing the start of its commercial operation into early to mid-2017. The utility has not agreed to that timeline and maintains that contractors can still speed up construction of both reactors at the plant. The first new reactor was originally scheduled for completion by April 2016, with the second new reactor to follow a year later. In August this year, the utility publicly acknowledged those dates were unrealistic and said it aimed to bring the first reactor online no earlier than November 2016, with the second coming online the following year. The new timeline would add months onto those projections.

<http://finance.yahoo.com/news/georgia-nuclear-plant-may-not-153458978.html>

Update: PSEG's 1,092 MW Salem Nuclear Unit 2 in New Jersey Ramped Up to 98 Percent by November 29

Salem Unit 2 is returning from an outage that began November 25, when the reactor automatically tripped after a steam generator feedwater regulation valve did not respond to a demand signal. The cause of the failure to respond to demand was under investigation. Operators restarted the unit on November 27.

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

FirstEnergy Declares ‘Unusual Event’ at Its 1,235 MW Perry Nuclear Unit 1 in Ohio Due to Toxic Gas in Radwaste Control Room November 28

FirstEnergy issued a Notification of Unusual Event (NOUE) at its Perry nuclear power plant Wednesday morning when carbon monoxide (CO) was detected in the Radioactive Waste (Radwaste) Control Room, according to a filing with the U.S. Nuclear Regulatory Commission (NRC). The Control Room was evacuated prior to reaching the FirstEnergy exposure limit of 35 ppm. Operators terminated the NOUE later that day after determining the elevated CO readings were caused by a leaking acetylene bottle, which was removed from the building. CO readings returned to normal. Perry nuclear Unit 1 continued to operate at full power throughout the incident. Later that evening, operators notified the NRC that they had determined a NOUE was not declared for an event that occurred on June 3, 2012, when an equipment failure resulted in a deposit of ion exchange resin onto the floor of the Radwaste building. Subsequent radiological surveys indicated that conditions met the requirements for a NOUE in accordance with the Perry Nuclear Power Plant Emergency Plan.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2012/20121129en.html>

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2012/20121129ps.html>

Update: Progress Energy’s 811 MW Brunswick Nuclear Unit 2 in North Carolina Ramped Up to 97 Percent by November 29

On the morning of November 28 the unit was operating at 62 percent.

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

Indiana-Michigan Power’s 1,060 MW D.C. Cook Nuclear Unit 2 in Michigan Reduced to 40 Percent by November 29

On the morning of November 28 the unit was operating at full power.

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

Update: GenOn’s 215 MW Mandalay Natural Gas-Fired Unit 2 in California Returns to Service by November 28

The unit returned from an unplanned curtailment of 140 MW that began by November 27.

<http://content.caiso.com/unitstatus/data/unitstatus201211281515.html>

CDWR’s 933 MW Hyatt-Thermalito Hydro Unit in California Reduced by November 28

The unit entered a curtailment of 661 MW that was due to planned and unplanned causes.

<http://content.caiso.com/unitstatus/data/unitstatus201211281515.html>

LG&E to Install Pollution-Control Upgrades at Its 1,472 MW Mill Creek Coal-Fired Power Plant in Kentucky

Louisville Gas & Electric Company (LG&E) and Kentucky Utilities (KU) today announced that the largest of the utilities’ environmental upgrades at its Mill Creek Generating Station are about to begin. Mill Creek will be upgraded to comply with emissions reduction regulations issued by the U.S. Environmental Protection Agency. Operators will install scrubbers and filter baghouse technologies on all four units at Mill Creek to reduce sulfur dioxide emissions and to remove mercury and fine particulates. The upgrades are expected to be completed by 2016. LG&E has similar plants to install environmental upgrades at three other generation stations in Kentucky, including the 1,932 MW Ghent coal-fired power plant, the 457 MW Brown coal-fired Unit 3, and the 514 MW Trimble County coal-fired Unit 1.

http://www.lge-ku.com/newsroom/archive2012/news_112912.asp

Break-in at AEP Substation Cuts Power to 3,000 Customers in West Virginia November 29

American Electric Power (AEP) reported that thieves broke into at its Chesterfield Avenue substation in Charleston early Thursday morning and stole all of the ground wires on its equipment. Crews responding to the station had to cut power to approximately 3,000 customers in the area to make repairs, but they later were able to switch about half those customers to alternative sources. The utility expected to fully restore power by this afternoon.

<http://www.wsaz.com/breaking/home/BREAKING-NEWS-Power-Outage-Causing-Traffic-Problems-in-Kanawha-County-181342471.html>

Petroleum

Unspecified Breakdown Leads to Flaring at BP's 265,000 b/d Carson, California Refinery November 29

BP Plc reported an unspecified breakdown at its Carson refinery Thursday morning lead to flaring, according to a filing with state pollution regulators.

Reuters, 11:32 November 29, 2012

BP Reports Emissions at Its 225,000 b/d Cherry Point, Washington Refinery November 27

BP Plc reported a hydrogen sulfide release to the flare at its Cherry Point refinery on Tuesday was turning into sulfur dioxide, according to a filing with the U.S. National Response Center. The release was not secured, and the issue was under investigation at the time of the filing.

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1031716

Process Unit Upset Leads to Equipment Shutdown at Northern Tier's 74,000 b/d St. Paul, Minnesota Refinery November 27

Northern Tier Energy reported it shut down equipment after a process unit upset at its St. Paul refinery on Tuesday caused a release of hydrogen sulfide and possibly some hydrocarbon, according to a filing with the U.S. National Response Center.

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1031669

Natural Gas

DTE Begins Operations on Its 275 MMcf/d Bluestone Natural Gas Pipeline in Pennsylvania

DTE Pipeline Co. began natural gas operations today through its 275 MMcf/d Bluestone gathering pipeline system in Susquehanna County, Pennsylvania. The southern portion of the pipeline will connect local gas production of Southwestern Energy to the Tennessee Gas Pipeline in Lenox Township, Pennsylvania. The remaining 32 miles of the pipeline will connect with the Millennium Pipeline in Sanford, New York and should be completed in January 2013.

<http://dteenergy.mediaroom.com/2012-11-29-Bluestone-pipeline-begins-gas-operations-in-Pennsylvania>

Other News

Update: BOEM Offers More Than 20 Million Acres in Western Gulf of Mexico for Oil and Gas Exploration and Development

The U.S. Bureau of Ocean Energy Management (BOEM) yesterday held the previously announced Western Gulf of Mexico Lease Sale 229, which offered over 20 million acres for oil and gas development on the U.S. Outer Continental Shelf (OCS) offshore Texas. A total of 13 offshore energy companies submitted 131 bids, including high bids for 116 tracts covering 652,522 acres. BOEM estimates the lease sale could result in the production of 116 to 200 million barrels of oil and 538 to 938 billion cubic feet of natural gas.

<http://www.doi.gov/news/pressreleases/obama-administration-offers-over-20-million-acres-in-western-gulf-of-mexico-for-oil-and-gas-exploration-and-development.cfm>

Norfolk Southern Completes Major Upgrade at Its 36 Million-Ton Lamberts Point Coal Export Facility in Virginia

Norfolk Southern today announced it has completed a major upgrade to its Lamberts Point export coal transload facility in Norfolk, Virginia. More commonly known simply as "Pier 6," the facility transfers coal hauled by train from Appalachian coal fields to ships bound for world markets. The upgrade involved major overhauls of the facility's north dumper system, which transfers coal from rail cars to a conveyor system, and its two loaders, massive rolling structures that deliver the coal to the ships. The south set of dumpers will receive the same upgrade in the spring of 2013. Pier 6 has an annual throughput capacity of 36 million tons of coal.

http://www.nscorp.com/nscportal/nscorp/Media/News%20Releases/2012/ns_export_facility.html

IAEA Says Hacking Incident Involving Servers Did Not Compromise Sensitive Information

International Atomic Energy Agency Director General Yukiya Amano on Thursday said a hacking incident involving one of the agency's servers that happened several months ago was "deeply regrettable," but stressed that the agency believed sensitive "safeguards" information had not been compromised. ("Safeguards" means activities conducted by IAEA inspectors in examining member states' nuclear activities to make sure that no atomic material is diverted for military purposes.) Amano said that the server concerned was immediately shut down after the incident occurred. The IAEA first reported the incident on Tuesday, after hackers on Sunday posted on a website the email addresses of scores of experts who have been working with the IAEA, and urged the IAEA to investigate Israel's nuclear activity. The IAEA is taking steps to prevent future hacking, Amano said.

<http://www.reuters.com/article/2012/11/29/nuclear-iaea-hacking-idUSL5E8MTDD220121129>

Update: Shell Lifts Force Majeure on Forcados Crude Exports in Nigeria November 29

Shell lifted the force majeure on its Forcados crude oil exports in Nigeria on Thursday. Shell had on October 19 declared force majeure on Forcados and Bonny Light grades due to damage caused by oil thieves and flooding. It lifted the force majeure on Bonny Light grades on November 21. ExxonMobil and ENI currently have also recently declared force majeure on Nigerian crude oil exports. ExxonMobil declared force majeure on Qua Iboe exports on November 21 due to outages caused by a pipeline spill November 9. ENI on November 9 confirmed it had declared force majeure on Brass River exports due to flooding. Both of those force majeure were still in effect Thursday.

<http://www.reuters.com/article/2012/11/29/nuclear-iaea-hacking-idUSL5E8MTDD220121129>

Energy Prices

U.S. Oil and Gas Prices			
November 29, 2012			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	87.38	86.85	99.77
NATURAL GAS Henry Hub \$/Million Btu	3.71	3.62	3.09

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>

Please direct comments and questions to: ead@oe.netl.doe.gov