



# ENERGY ASSURANCE DAILY

Thursday Evening, December 08, 2011

## *Electricity*

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### **Severe Thunderstorms Cut Power to over 62,000 Dominion Virginia Power Customers in Virginia and North Carolina December 7**

A line of strong thunderstorms with high winds moved through central and southeastern Virginia and northeastern North Carolina Wednesday evening, knocking out power to a peak of over 62,000 Dominion Virginia Power customers, according to news reports. As of Thursday afternoon, Dominion reported that 3,703 customers were without power, mostly in the Richmond, Virginia metropolitan area.

<http://www.dom.com/storm-center/dominion-electric-outage-summary.jsp>

<http://www2.timesdispatch.com/news/2011/dec/08/1/about-9500-still-without-power-after-storms-roll-t-ar-1529401/>

<http://hamptonroads.com/2011/12/storm-knocked-out-power-more-11000-customers>

<http://www.wric.com/story/16213739/storms-knock-out-power-to-thousands>

### **Update: NRC Finds Electrical Breaker Performance Issue at Duke Energy's 2,538 MW Oconee Nuclear Power Plant in South Carolina to Be of Substantial Safety Significance**

The U.S. Nuclear Regulatory Commission (NRC) has determined that electrical breakers installed in a key safety system would not have functioned during certain scenarios at the Duke Energy Oconee nuclear plant near Seneca, South Carolina, representing a "yellow" finding of substantial safety significance that will result in increased NRC inspection and oversight of the facility. Workers at the three-unit plant on June 2 identified that pressurizer heater breakers essential to the operation of the plant's standby shutdown facility would not have functioned if needed. The standby shutdown facility is designed to be used for reactor cooling during certain accident scenarios, including fires and severe storms, where other cooling systems might be unavailable or inoperable. The public was never endangered because no actual event occurred. The NRC also identified a second violation, involving breakers that were installed to replace the original breakers, and classified it as a "green" finding of very low safety significance.

<http://www.nrc.gov/reading-rm/doc-collections/news/2011/11-069.ii.pdf>

### **Update: FirstEnergy Alerted NRC to Additional Cracks at 882 MW Davis-Besse Nuclear Plant in Ohio**

FirstEnergy told the Associated Press Wednesday that it informed the U.S. Nuclear Regulatory Commission (NRC) of additional cracks found near the top of the nuclear plant's concrete shell. A FirstEnergy spokeswoman said the NRC was aware of the additional cracks last week when it said that the utility had provided reasonable assurance that the plant's shield building was capable of performing its safety functions and that the utility could proceed with restarting the plant outside Toledo, Ohio. Operators shut the plant October 1 to install a new reactor head and later discovered hairline, subsurface cracks near the base of the containment building. A closer inspection followed, and First Energy said it informed the NRC immediately after it found more cracks close to the top of the shield structure in November.

<http://finance.yahoo.com/news/APNewsBreak-Ohio-nuclear-apf-2930577932.html?x=0>

## **Update: PSE&G's 1,096 MW Salem Nuclear Unit 1 in New Jersey at Full Power by December 8**

The Nuclear Regulatory Commission reported that on the morning of December 7 the unit was operating at 83 percent.

Information derived from the NRC Power Reactor Status Reports:

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

## **Update: Calpine's 593 MW Metcalf Energy Center Gas-fired Unit in California Returns to Service by December 7**

According to the California Independent System Operator, the unit reported a return from an unplanned curtailment of 308 MW.

<http://content.caiso.com/unitstatus/data/unitstatus201112071515.html>

## **Xcel to Restart 360 MW Harrington Coal-Fired Unit 1 in Texas December 8 after Shutdown Due to Unspecified Emergency and Repairs**

Xcel reported that, after shutting down Unit 1 due to an unspecified emergency and making repairs, operators will be restarting the unit December 8, minimizing emissions as much as possible.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=162396>

## **Pioneer Transmission Launches 765 kV Greentown-New Reynolds Transmission Project in Indiana**

Pioneer Transmission, a joint venture formed by American Electric Power (AEP) and Duke Energy in 2008, will begin engineering, permitting, and siting activities in 2012 on a 66-mile, 765 kV electric transmission line in Indiana between the existing Greentown substation (approximately 15 miles east of Kokomo) and a new substation called New Reynolds (about 20 miles north of Lafayette). Pioneer Transmission will construct and own the 765 kV New Reynolds substation to handle the interconnection of multiple power line voltages at this location. Greentown-New Reynolds is part of a larger, 240-mile transmission project in Indiana originally proposed by Pioneer Transmission in 2008 that would extend from Duke Energy's Greentown substation and terminate at AEP's Rockport substation near Evansville.

<http://www.pnrtransmission.com/news/Dec8-2011.asp>

## ***Petroleum***

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### **Update: ConocoPhillips Restarts Unit at 362,000 b/d Wood River, Illinois Refinery December 8**

ConocoPhillips reported on Thursday that it has restarted an unspecified unit at its Wood River refinery, according to a filing with state regulators. Last week the company reported it had successfully completed the startup of a new coker and the expansion of the refinery, which it jointly owns and operates with Cenovus Energy. The expansion added 50,000 b/d to the refinery's total capacity and allows it to process 130,000 b/d more heavy Canadian crude oil, raising the capacity of those grades to 240,000 b/d.

Reuters, 04:00 December 8, 2011

### **Release Valve Malfunction Leads to Propane/Propylene Release at ExxonMobil's 344,500 b/d Beaumont, Texas Refinery December 7**

ExxonMobil reported Wednesday that the refinery's GP5W #1 Depropanizer Overhead release valve malfunctioned and released propane/propylene (PP) product to atmosphere. The release valve re-seated itself. Operators are planning to pull the RV to determine what caused the failure. The refinery anticipates no impacts to production.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=162532>

### **Failed Instrumentation in an Unspecified Vessel Leads to Flaring at Marathon's 204,000 b/d Robinson, Illinois Refinery December 7**

Marathon Petroleum Corp. reported the flaring in a filing with state regulators. The filing doesn't specify which unit was involved in the flaring.

Reuters, 04:00 December 8, 2011

## **Compressor Trips Lead to Crude Unit Flaring at Alon's 67,000 b/d Big Spring, Texas Refinery December 7**

Alon USA Energy reported that very early Wednesday morning its vent gas compressor (VGC) feed was intermittently diverted to the flare when the VGC tripped offline due to low suction pressure, according to a filing with the Texas Commission on Environmental Quality. The event also resulted in flaring for the crude unit. Operators had some difficulty restarting the compressor when instrumentation froze up, but restored normal operations within a few hours, according to the filing. Later that morning, Alon reported opacity at the crude flare when the Propane Deasphalting (PDA) hi/low compressor feed was diverted after the PDA compressor tripped. Workers restored operations within 12 minutes, according to the filing.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=162529>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=162530>

## **Plains All American to Convert Oklahoma LPG Pipeline to Crude Service and Expand Capacity to 25,000 b/d**

Plains All American Pipeline, L.P. (PAA) today announced it is converting an existing Oklahoma liquefied petroleum gas (LPG) pipeline into crude oil service. The pipeline, which extends from Medford, Oklahoma to PAA's crude oil terminal facility in Cushing, Oklahoma, will provide an initial crude oil throughput capacity of 12,000 b/d by January 2012 and will be expanded to 25,000 b/d by July 2012. The conversion and expansion of the pipeline is intended to support growing crude oil production in the Mississippian Lime formation in northern Oklahoma and southern Kansas, according to a news release.

<http://www.b2i.us/profiles/investor/ResLibraryView.asp?ResLibraryID=49506&f=1&BzID=789&Nav=1&LangID=1&s=0&Category=117>

## **Pemex Repairs Nuevo Teapa-Minatitlan-Salina Cruz Crude Oil Pipeline after Unspecified 'Device' Causes an Explosion**

Mexican state oil company Pemex said in a statement Wednesday that authorities are investigating an explosion that damaged the 30-inch Nuevo Teapa-Minatitlan-Salina Cruz crude oil pipeline in a rural part of Veracruz state on the Gulf of Mexico. Pemex said an unspecified "device" caused the explosion but no injuries or leaks.

Reuters, 22:24 December 7, 2011

## **Terrorists Blow Up Oil Pipeline Feeding Vital Refinery in Homs, Syria December 8**

<http://www.telegraph.co.uk/news/worldnews/middleeast/syria/8942861/Syrian-oil-pipeline-blown-up.html>

## **Nigerian Government Announces Plans to Develop O&G Sector over 5 Years; Plan Includes Refineries, Petchem Plant, Pipelines**

[http://www.downstreamtoday.com/news/article.aspx?a\\_id=28791](http://www.downstreamtoday.com/news/article.aspx?a_id=28791)

## ***Natural Gas***

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### **Update: El Paso Natural Gas Company's 6.2 Bcf/d Pipeline System Operating Normally December 7 Despite Well 'Freeze Offs' Shutting-in 1.4 Bcf/d**

El Paso Natural Gas Company, a subsidiary of El Paso Corp., said on Wednesday that its natural gas pipeline system in the U.S. Southwest was operating normally after warning on Tuesday morning that cold weather conditions could lead to strained operating conditions. The company's pipeline system transports gas production in the west Texas and Colorado basins to customers in California, Arizona, and Nevada. On Wednesday 1.4 Bcf/d was still shut-in—2 percent of the current U.S. production in the lower 48 states—across the U.S. Southwest basins due to the cold weather causing well freeze offs, according to reports. Well freeze offs are also likely the cause for a systemwide critical notice that Energy Transfer Partners' Transwestern Pipeline issued on Wednesday warning customers that a "low linepack condition" could limit its natural gas volumes on sections of its pipeline.

Reuters, 15:43 December 7, 2011

### **Frozen Signal Line Shuts AGI Units at Enbridge's Tilden Gas Plant in Texas December 7**

Enbridge reported that acid gas injector (AGI) Units #1 and #1 [sic] went down when the signal line froze on a fuel gas run. Operators immediately responded to correct the situation, venting routed gas to flare to mitigate emissions.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=162538>

## **Amine System Problems Shut SRU at WTG's 50 MMcf/d East Vealmoor Gas Plant in Texas December 7**

WTG Gas Processing LP reported Wednesday that amine system problems at the facility caused hydrocarbons to carry over into the sour gas stream feeding the sulfur recovery unit (SRU). This caused the SRU and tailgas incinerator to automatically shut, and the facility flared acid gas until operators could stabilize the amine system and return operations to normal.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=162535>

## **Low Jacket Water Shuts Unit at Exterran's 50 MMcf/d Reinecke Gas Plant in Texas December 6**

Exterran reported that Unit 77082 went down due to low jacket water. Operators refilled the jacket water and restarted the unit.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=162502>

## **Other News**

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### **Oil Officials Raise Concerns about Cyber Attacks, Note Trend of More Frequent, More Carefully Prepared Attacks**

Oil company executives attending the World Petroleum Congress in Doha raised concerns about cyber attacks they claim are becoming more frequent and more carefully prepared. The potential for such attacks to affect control systems was of particular concern. The Stuxnet computer worm discovered in 2010, for example, was specifically designed to subvert industrial systems and was the first visible attack to have significant impact on process control. Experts have also noted a recent surge in multi-pronged attacks to break into specific operation systems. Unlike other businesses that can regularly shut their IT systems to install software security patches and update vulnerable operating systems, energy companies are not in a position to quickly, or frequently, shut down plants in order to patch up security holes.

<http://www.reuters.com/article/2011/12/08/us-cyber-oil-idUSTRE7B71FO20111208>

## **Energy Prices**

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<b>U.S. Oil and Gas Prices</b>			
December 8, 2011			
	<b>Today</b>	<b>Week Ago</b>	<b>Year Ago</b>
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	98.88	99.09	88.41
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	3.45	3.55	4.47

Source: Reuters

## **Energy Notes**

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### **Update: Halliburton Responds to BP Accusation, Says Informal, Post-Incident Slurry Tests Yielded Results of Little or No Relevance to Spill Litigation**

<http://www.hydrocarbonprocessing.com/Article/2945848/Latest-News/Halliburton-defends-itself-against-BP-oil-spill-claims.html>

[http://www.rigzone.com/news/article.asp?a\\_id=113185](http://www.rigzone.com/news/article.asp?a_id=113185)

### **Saudi Arabian Oil Official Says Kingdom Pumped over 10 MMb/d of Crude Oil Excluding Condensates in November, the Highest Output Since 1980**

Reuters, 12:55 December 7, 2011

## Israel Considers Deploying Iron Dome Anti-Missile Battery to Protect Haifa's Oil Refineries, Terminals

[http://www.downstreamtoday.com/news/article.aspx?a\\_id=28786](http://www.downstreamtoday.com/news/article.aspx?a_id=28786)

## 15,000 Central Hudson Gas & Electric and National Grid Customers without Power in Eastern New York after Overnight Snow Storm

<http://www.cbs6albany.com/articles/county-1289311-albany-area.html>

<http://thedaystar.com/breakingnews/x1033440297/Winter-storm-knocks-out-power-for-some>

## APS Announces Startup of 17 MW Cotton Center Solar Plant in Gila Bend, Arizona December 7

[http://www.aps.com/main/news/releases/release\\_681.html](http://www.aps.com/main/news/releases/release_681.html)

## Acid Gas Compressors Shut Due to Low Lubrication Pressure, Low Interstage Pressure at West Texas Gas's 12 MMcf/d Big Lake Gas Plant in Texas December 6

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=162516>

## 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>

Please direct comments and questions to: [ead@oe.netl.doe.gov](mailto:ead@oe.netl.doe.gov)