



ENERGY ASSURANCE DAILY

Monday Evening, July 09, 2012

Electricity

Update: Nearly 89,000 Utility Customers from Ohio to Virginia Remain without Power July 9 after Summer Storms

Utility companies in Ohio, Virginia, and West Virginia on Monday continued working to restore power to the remaining customers affected by a severe thunderstorm system, known as a “Derecho,” that struck the Eastern United States overnight June 29–30. The storms knocked out power to more than 4 million customers. On July 1, new storms crossed the affected area, causing additional outages in some states. In total, the weekend storms cut power to more than 4.5 million customers. Subsequent summer storms causing additional outages have complicated restoration efforts. As of 4:00 PM EDT Monday, nearly 89,000 customers from Ohio to Virginia remained without power (see table). Restoration estimates for heavily affected utilities are summarized below:

- **AEP Ohio** on Monday said it had restored power to approximately 98 percent of the 660,000 customers affected by the June 29 storm and the additional customers who lost power in subsequent storms July 4 and 5. The utility expected to restore power to all affected customers by July 11.
- **Appalachian Power** on Monday reported that its restoration efforts had been on target to reach 95 percent completion by Sunday night, but severe thunderstorms that moved through parts of its service territory caused 30,000 new customers to lose power in the Charleston and Huntington, West Virginia and Rocky Mount, Virginia areas. The Sunday, July 8 storm marked the fourth major thunderstorm in the company’s service area since the June 29 restoration began. The utility expected to restore power to all its customers by July 11.
- **Allegheny Power** (FirstEnergy) on Sunday reported it was working to restore power to approximately 34,200 customers in West Virginia that remained without power as a result of recent severe storms. The majority of affected customers were expected to be restored by late Sunday evening, with the remaining customers restored early this week.
- **Dominion Virginia Power** was set to complete its restoration efforts over the weekend when thunderstorms and high winds again swept across Virginia and the Washington, DC metro area on Sunday night, knocking out power to approximately 37,000 of its customers, according to a spokesman. The utility expected to fully restore power overnight tonight, he said.

For previous reports on customer outages, energy infrastructure issues, and restoration efforts see: Ohio Valley & Mid-Atlantic Summer Storm Situation Reports issued by the U.S. Department of Energy, Office of Electricity Delivery & Energy Reliability (OE/ISER), at the following URL:
http://www.oe.netl.doe.gov/named_event.aspx?ID=65

Ohio Valley & Mid-Atlantic Customer Power Outages		
4:00 PM EDT July 9, 2012		
Electric Utility	State	Latest Reported
AEP Ohio	OH	3,880
Ohio Rural Electric Cooperatives	OH	1,179
Ohio Subtotal		5,059
Appalachian Power (AEP)	VA	5,646
Dominion Virginia Power	VA	5,198
Virginia Subtotal		10,844
Appalachian Power (AEP)	WV	50,197
Allegheny Power (First Energy)	WV	22,779
West Virginia Subtotal		72,976
TOTAL*		88,879

*Total outages only represent electric utilities listed in this table.

Sources:

Ohio

<https://www.aepohio.com/outages/>

<http://www.ohioruralelectric.coop/outage-map>

Virginia

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

<https://www.appalachianpower.com/outages/>

<http://washingtosexaminer.com/sunday-storms-knock-out-power-to-thousands/article/2501609>

West Virginia

<https://www.appalachianpower.com/outages/>

<http://outages.firstenergycorp.com/mdwv.html>

https://www.firstenergycorp.com/newsroom/news_releases/media_advisory_firstenergysevesummerstormoutageupdate5.html

Update: Con Edison Ends Brownouts in New York July 8 as Heat Wave Eases; Union Lockout Continues

Consolidated Edison Inc. ended voltage reductions in New York Sunday morning as a heat wave across the region abated. The utility had reduced voltage by 5 percent in parts of Brooklyn and the Bronx since last Wednesday night as a precaution while workers repaired equipment serving some communities. Meanwhile, contract talks between Con Edison and locked-out union workers on Saturday ended without reaching an agreement. Con Edison locked out 8,500 members of the Utilities Workers Union of America July 1 after failing to reach an agreement on wages, pensions, and health benefits. Negotiations are expected to continue again on Tuesday.

<http://www.reuters.com/article/2012/07/08/utilities-conedison-brownout-idUSL2E8I847T20120708?type=companyNews&feedType=RSS&feedName=companyNews&rpc=43>

<http://finance.yahoo.com/news/con-edison-union-resume-talks-201231319.html>

Update: Union Workers at Entergy's Pilgrim Nuclear Power Station in Massachusetts Ratify New Labor Contract July 8; Ends Month-Long Lockout

Union workers at Entergy Nuclear's Pilgrim Nuclear Power Station in Plymouth on Sunday voted to ratify a new, 4-year contract after months of negotiations and a recent lockout, according to a filing with the U.S. Nuclear Regulatory Commission. Entergy on June 6 locked out workers belonging to the Utility Workers Union of America Local 369 and implemented a contingency staffing plan at the plant after failing to reach agreement for a new contract.

<http://www.capecodonline.com/apps/pbcs.dll/article?AID=/20120708/NEWS11/120709796/-1/rss04>

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2012/20120709en.html>

AEP Restarts 558 MW Welsh Coal-Fired Unit 2 in Texas July 7 after Boiler Tube Repair

American Electric Power (AEP) reported it was restarting Unit 2 Saturday after shutting it the day before to repair a boiler tube leak, according to a filing with the Texas Commission on Environmental Quality. Operators said emissions related to startup procedures were possible from July 7-14.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=170745>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=170749>

Update: Exelon's 1,163 MW Byron Nuclear Unit 1 in Illinois Ramped Up to 90 Percent by July 9

On the morning of July 8 the unit was operating at 75 percent.

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

Update: Exelon's 850 MW Dresden Nuclear Unit 2 in Illinois at Full Power by July 8

On the morning of July 7 the unit was operating at 86 percent.

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

Update: APS's 1,247 MW Palo Verde Nuclear Unit 3 in Arizona at Full Power by July 8

On the morning of July 7 the unit was operating at 70 percent.

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

Update: Energy Northwest's 1,107 MW Columbia Nuclear Unit in Washington at Full Power by July 7

On the morning of July 6 the unit was operating at 88 percent.

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

Update: Dynegy's 335 MW El Segundo Gas-Fired Unit 3 in California Returns to Service by July 8

The unit returned from an unplanned outage that began by July 5.

<http://content.caiso.com/unitstatus/data/unitstatus201207081515.html>

Dynegy's 756 MW Moss Landing Gas-Fired Unit 7 in California Shut by July 8

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201207081515.html>

Inland Empire Energy's 366 MW Inland Empire Gas-Fired Unit 2 in California Shut by July 7

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201207071515.html>

GenOn's 215 MW Mandalay Gas-Fired Unit 2 in California Shut by July 7

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201207071515.html>

Update: City of Vernon's 134 MW Malburg Gas-Fired Unit in California Returns to Service by July 6

The unit returned from an unplanned outage that began by June 28.

<http://content.caiso.com/unitstatus/data/unitstatus201207061515.html>

Petroleum

Update: Valero Restarts FCCU, Alkylation Unit at Its 83,000 b/d Houston, Texas Refinery by July 9 after Unspecified Upset July 5

Valero Energy Corp. restarted the fluid catalytic cracking unit (FCCU) at its Houston refinery over the weekend, according to a spokesman. Operators also restarted an alkylation unit, the spokesman said. Valero shut both units after an unspecified upset July 5.

<http://uk.reuters.com/article/2012/07/09/refinery-operations-valero-houston-idUKWNAB207720120709>

DCU Malfunction Leads to Emissions at Tesoro's 96,860 MW Wilmington, California Refinery July 9

Tesoro Corp. reported a malfunction on the delayed coking unit (DCU) at its Wilmington refinery on Monday led to sulfur dioxide emissions, according to a filing with the California Emergency Management Agency.

DJN, 12:57 July 9, 2012

Citgo Reports No Impact to Production after Compressor Trip Leads to Emissions at Its 167,000 b/d Lemont, Illinois Refinery July 8

Citgo Petroleum Corp. said a compressor failure at its Lemont refinery on Sunday had no impact on production, according to a spokesman. The compressor shutdown led to emissions, according to a filing with the U.S. National Response Center.

DJN, 12:38 July 9, 2012

Marathon Shuts Its 226,000 b/d Catlettsburg, Kentucky Refinery after Thunderstorm Causes Power Outage July 8

Marathon Petroleum Corp. reported it shut its Catlettsburg refinery due to a power outage during a thunderstorm Sunday, according to a filing with the U.S. National Response Center. The power outage led to emissions of hydrogen sulfide from the sulfur recovery unit (SRU) stacks, the filing said.

<http://www.reuters.com/article/2012/07/09/refinery-operations-marathon-catlettsbur-idUSWNAB186320120709>

Update: Ongoing Repairs Cause Hydrogen Sulfide Emissions at CVR's 70,000 b/d Wynnewood, Oklahoma Refinery July 3–9

CVR Energy on Saturday reported it was continuing repairs begun at its Wynnewood refinery on July 3, according to a filing with the U.S. National Response Center. The repairs were causing hydrogen sulfide emissions from the refinery, the filing said. CVR has not specified the unit that malfunctioned or the repairs its operators are performing.

Reuters, 16:47 July 8, 2012

HDS Unit Upset Leads to Flaring at Valero's 142,000 b/d Corpus Christi, Texas Refinery July 6

Valero Energy Corp. reported that conditions in a hydrodesulphurization (HDS) unit at its Corpus Christi refinery Friday morning made venting to flare necessary, according to a filing with the Texas Commission on Environmental Quality. The filing does not specify the conditions that made the venting necessary.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=170752>

Natural Gas

NiSource, Hilcorp Announce Joint Venture to Develop Utica Shale Natural Gas Production, Infrastructure in Ohio and Pennsylvania

NiSource Inc.'s Midstream & Minerals Group, LLC today announced a joint venture with affiliates of Hilcorp Energy Company to construct new gathering pipeline infrastructure and natural gas liquids (NGL) processing facilities to support natural gas production in the Utica Shale region of northeast Ohio and western Pennsylvania. The newly named midstream joint venture, Pennant Midstream, LLC will initially invest in the construction of 50 miles of 20-inch gathering pipeline facilities in northeast Ohio and western Pennsylvania. This first phase of the venture's investment program is planned for later this year. Pennant will also construct a cryogenic NGL processing plant in Ohio with initial capacity of 200 MMcf/d. NiSource Midstream Services, LLC will operate the system, which in total is expected to initially provide approximately 400 MMcf/d of both wet and dry gas gathering, with anticipated expansion opportunities based on production activity in the area. The project is expected to be in service by the third quarter of 2013.

<http://ir.nisource.com/releasedetail.cfm?ReleaseID=689946>

Valve Failures Shut Turbine at DCP Midstream's 160 MMcf/d Goldsmith Gas Plant in Texas July 5–6

DCP Midstream reported its B-turbine went down July 5 during the fourth stage of compression after a residue gas suction valve failed to open, according to a filing with the Texas Commission on Environmental Quality. Operators put the turbine back online but were still troubleshooting the suction valve at the time of the filing. On July 6, the B-turbine went down during the fourth stage again after a residue gas suction valve failed to close. Operators restarted the unit but were working to repair a transmitter at the time of the filing.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=170723>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=170775>

Other News

NRC Issues Confirmatory Action Letter to Uranium One USA after Uranium Release Event in Canada

The U.S. Nuclear Regulatory Commission (NRC) announced Friday it issued a Confirmatory Action Letter documenting actions that Uranium One USA has agreed to take following a June 23 incident at a uranium conversion facility in Blind River, Canada. When a worker loosened a ring clamp on a 55-gallon drum containing uranium oxide yellowcake the lid blew off, ejecting about 26 kilograms of the material into the air. The worker closest to the drum and two others in the area, who were not wearing respirators, were exposed to airborne uranium. The barrel had been shipped from Uranium One's Willow Creek Facility in Wyoming to a Canadian conversion facility on May 29. Following this incident several other drums shipped to the Canadian facility containing yellowcake were found to be bulging from internal pressure. The Canadian facility has stopped opening containers of yellowcake from Uranium One's Willow Creek facility until they can develop a plan to safely do so. The licensee has notified the NRC that it has suspended all shipping from the Willow Creek facility until it determines how the drums became pressurized.

<http://www.nrc.gov/reading-rm/doc-collections/news/2012/12-026.iv.pdf>

International News

Update: Norway Offshore O&G Production Set to Shut Down at Midnight July 9 after Weekend Talks Fail; Lockout Could Shut-In More Than 1.2 MMb/d of Oil Production

A shutdown of all Norwegian offshore oil and gas (O&G) production will start at midnight tonight (2200 GMT), cutting about 12 percent of Europe's crude oil output, unless unions and employers can resolve a strike or the government intervenes. The Norwegian Oil Industry Association (OLF) said last week that it would on Monday impose a lockout on all members of Industry Energy, the Organization of Energy Personnel, and the Norwegian Organization of Managers and Executives who are covered by offshore pay agreements. Platform workers have been on strike since June 24, when negotiations with OLF broke down over a pension issue. Talks between the parties over the weekend again failed to bring about an agreement. Statoil announced last week that a lockout will cause a shortfall in production of around 1.2 million barrels of oil equivalent per day. Data from the Norwegian Petroleum Directorate suggests as much as 2 MMb/d may be lost in total output from the continental shelf. Statoil on Monday said it was assessing whether to declare force majeure on shipments, according to a spokesman. A labor ministry spokesman on Sunday said there were no immediate plans to intervene in the dispute.

Reuters, 11:36 July 9, 2012

<http://www.bloomberg.com/news/2012-07-09/norway-oil-production-shutdown-looms-after-labor-talks-fail-1-.html?cmpid=yhoo>

Three Oil-Exporting Terminals in Eastern Libya Resume Operations by July 8 after Local Militia Enforces 48-Hour Stoppage; Protest Shut-In 300,000 b/d of Oil Production

Three major oil-exporting terminals in eastern Libya resumed operations by Sunday after a 48-hour stoppage staged by local militia who were protesting against Saturday's national assembly elections. The stoppage began Thursday at the El-Sider, Ras Lanuf, and Brega export terminals, whose combined capacity is around 690,000 b/d—half of Libya's oil-exporting capacity. Blockages at the terminals also forced producers to shut-in about 300,000 b/d of oil production. The chairman of Libya's National Oil Corporation said some fields restarted production Saturday night, and he hoped Libya would restore normal production levels by Monday.

<http://english.ahram.org.eg/NewsContent/3/12/47218/Business/Economy/Protesthit-Libyan-oil-terminals-reopen-NOC.aspx>

Energy Prices

U.S. Oil and Gas Prices			
July 9, 2012			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	85.52	82.25	96.01
NATURAL GAS Henry Hub \$/Million Btu	2.94	2.81	4.25

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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