



ENERGY ASSURANCE DAILY

Wednesday Evening, January 08, 2014

Electricity

PJM Ends Consumer Request to Conserve Energy January 8, Sets Winter Power Use Record of 141,312 MW Amid Extreme Cold January 7

PJM Interconnection today ended its special request for the entire region it serves to conserve electricity. The call to reduce electricity use was prompted by the intense cold weather. PJM broke the record for peak winter electricity use twice on Tuesday, 138,000 MW in the morning and 141,312 MW in the evening. The previous peak was 136,675 MW in 2007. Conditions were challenging for the grid due to the extreme cold in the past two days, a number of generating plant outages as well as increased demand for electricity to meet consumers' heating needs. <http://www.pjm.com/~media/about-pjm/newsroom/2014-releases/20140108-pjm-ends-special-call-to-consumers-toconserve-electricity.ashx>

ERCOT Sets Winter Power Use Record of 57,277 MW Amid Extreme Cold January 7

Continuing sub-freezing temperatures in the Electric Reliability Council of Texas (ERCOT) region pushed the demand for electricity Tuesday morning to a new winter record, with electric use peaking at 57,277 MW in the hour ending at 8 a.m. CST. There was sufficient generation available Monday evening and Tuesday morning to serve expected needs and maintain the desired level of operating reserves, even with demand exceeding Monday's 55,487 MW morning peak and 56,031 MW evening peak. Peak demand in winter weather typically occurs between 6-9 a.m. and 4-8 p.m. ERCOT discontinued a Conservation Alert that began Monday, when high demand and sudden electric generation outages in the early morning hours caused operating reserves to drop below the 2,300 MW trigger for an Energy Emergency Alert.

http://www.ercot.com/news/press_releases/show/26572

Update: IPL Reports Majority of Customers Have Power Restored in Indiana After Winter Storm, Remaining to be Completed by Thursday

Indianapolis Power & Light Company (IPL) crews were working around the clock to get the majority of the remaining customers affected by Sunday's winter storm restored. As of 3 p.m. EST, 3,079 customers remained without power. With 95 percent of its affected customers now restored, the company said the remaining customers would be restored by Thursday. IPL reported heavy snow on trees and power lines as the major cause of the outages. http://www.iplpower.com/Our_Company/Media/News/News_Items/2013/IPL_focused_on_vast_majority_of_restoration_efforts_to_be_complete_by_Thursday/

Update: Exelon's 850 MW Dresden Nuclear Unit 2 in Illinois Ramps Up to 33 Percent by January 8

On the morning of January 7 the unit was operating at 17 percent from full power on January 6, according to the Nuclear Regulatory Commission.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2014/>

Update: Luminant's 1,150 MW Comanche Peak Nuclear Unit 1 in Texas Cuts Power Due to Pump Trip January 6

Luminant said it had reduced power to unit 1 at its Comanche Peak nuclear power plant in Texas on Monday after a heater drain pump tripped offline. The heater drain system was part of the non-nuclear portion of the plant and the company is investigating the cause of the trip. The unit has been operating at 72 percent capacity since Tuesday morning, according to the Nuclear Regulatory Commission.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2014/20140108ps.html>

Reuters, 18:18 January 7, 2014

Entergy's 979 MW Indian Point Nuclear Unit 3 in New York Restarts, Ramps Up to 1 Percent January 8

On the morning of January 6 the unit was operating at full power before the unit shut when an automatic reactor tripped on low steam generator water level due to a failed main feedwater valve, according to the Nuclear Regulatory Commission. Meanwhile, Indian Point unit 2 was operating at full power.
Reuters, 6:46 January 8, 2014

Petroleum

CN Rail Freight Train Carrying Crude Oil and Propane Derails, Catches Fire in New Brunswick January 7

A 122-car freight train derailed late Tuesday in New Brunswick causing 150 residents to evacuate their homes but no injuries were reported. Canadian officials said of the 17 cars that derailed, five contained crude oil and four contained propane. Some of the propane cars were venting and some of the crude cars are burning, according to reports. A railroad spokesman said the crude that was derailed in the accident was from Western Canada and was destined for the 300,000 b/d Irving Oil refinery in Saint John, New Brunswick.

http://www.huffingtonpost.com/2014/01/08/new-brunswick-oil-train-derails_n_4558812.html
<http://www.platts.com/latest-news/oil/calgary/nine-crude-oil-lpg-tankers-hit-in-new-brunswick-21048630?sf1360764=1>

Colonial Pipeline System Operating Normally January 7 Following Brief Power Failures Caused by Cold Weather

Colonial Pipeline Co. said Wednesday that its 5,530 mile pipeline system, which transports 2.4 MMb/d from the Gulf Coast to the East Coast, was operating normally after experiencing limited power failures due to the extreme temperatures on Tuesday.

<http://www.businessweek.com/news/2014-01-07/arctic-cold-front-disrupts-natural-gas-pipes-and-oil-refineries>

PBF Says Most Processing Units Shut at Its 180,000 b/d Paulsboro, New Jersey Refinery Due to Loss of Steam January 7

PBF Energy Inc. said on Tuesday that loss of steam caused the orderly shutdown of most processing units at its Paulsboro, New Jersey, refinery. The refinery did not have a power interruption, the spokesperson said.
Reuters, 14:14 January 7, 2014

Marathon Says Several Units Shut at Its 120,000 b/d Detroit, Michigan Refinery Due to Cold Weather January 7

Marathon Petroleum Corp. said its Detroit refinery experienced a loss of instrument air due to extreme cold weather that resulted in several units shutting down. The refinery will begin the process of restarting the affected units, a company spokesman said, and no injuries or offsite impact was reported. Energy intelligence company Genscape reported on Tuesday that a fluid catalytic cracking unit was shut down late Monday at the Detroit refinery.
Reuters, 10:31 January 7, 2014

Valero Reports System Shutdown at Its 180,000 b/d Memphis, Tennessee Refinery Due to Cold Weather January 6

Valero Energy Corp. filed a report with the National Response Center indicating that a system at its refinery in Memphis shutdown due to extremely cold temperatures.

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1070254

ExxonMobil Reports Process Unit Problems at Its 238,600 b/d Joliet, Illinois Refinery January 7

Exxon Mobil Corp.'s Joliet, Illinois, refinery reported problems with process units on Tuesday due to cold weather which caused flaring, according to a notice filed with U.S. National Response Center.

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1070325

Citgo Says Production at Its 174,500 b/d Lemont, Illinois Refinery Not Impacted by Cold Weather

Citgo Petroleum Corp. on Tuesday said production at its Lemont, Illinois refinery had not been impacted by the cold temperatures and that all units were currently running at planned rates, though there were some weather-related issues at the facility. The company said the refinery had been working its way through minor issues caused by low ambient temperatures.

Reuters, 16:04 January 7, 2014

BP's 413,000 b/d Whiting, Indiana Refinery Keeps Operating Despite Cold Weather

BP Plc's refinery in Whiting, Indiana has continued operating in extreme cold that has triggered malfunctions at neighboring crude oil refineries in the Chicago area, sources familiar with the BP plant said on Wednesday. BP just completed a \$4-billion overhaul of the Whiting plant that included rebuilding a 250,000 b/d crude distillation unit and adding a 102,000 b/d coking unit, which came on-line in December. Operators at the refinery will be watching closely for possible problems as the weather turns warmer later this week.

Reuters, 12:24 January 8, 2014

Motiva Restarting Unit Shut Due to Cold Weather at Its Norco, Louisiana Manufacturing Complex January 7

Motiva Enterprises said it began restarting a unit on Tuesday that was shut down due to the severe cold at its Norco manufacturing complex in Louisiana. The manufacturing complex contains the 233,500 b/d Norco refinery.

Reuters, 11:33 January 8, 2014

Phillips 66 Reports Unit Upset at Its 239,400 b/d Westlake, Louisiana Refinery January 7

Phillips 66 reported an unspecified unit upset leading to sulfur dioxide emissions at its Lake Charles refinery in Westlake, Louisiana, according to a filing with the National Response Center.

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1070310

ExxonMobil Reports FCCU Compressor Restart at Its 572,500 b/d Baytown, Texas Refinery January 7

Exxon Mobil Corp. reported a fluid catalytic cracking unit's (FCCU's) compressor was restarted after a trip at its Baytown, Texas, refinery, according to a filing with state pollution regulators.

Reuters, 11:17 January 8, 2014

Total Reports SRU Shutdown at Its 233,500 b/d Port Arthur, Texas Refinery January 7

Total reported a shutdown of a sulfur recovery unit (SRU) at its Port Arthur, Texas, refinery on Tuesday, according to a notice filed with Texas pollution regulators. An analyzer failed causing the unit to shutdown, the filing said.

Reuters, 17:14 January 7, 2014

Shell Canada Takes Unit Offline for Repairs at Its 75,000 b/d Sarnia, Ontario Refinery January 7

Weather conditions in southern Ontario prompted Shell Canada to shut one unit at its Sarnia refinery for minor repairs on Tuesday, causing some flaring, a company spokesperson said. The remainder of the plant was operating normally and the unit will be brought back online when safe to do so, the spokesperson said.

Reuters, 14:31 January 7, 2014

North Atlantic Refining's 115,000 b/d Come By Chance Refinery in Newfoundland Remains Offline Due to Power Loss January 7

North Atlantic Refining reported its Come By Chance refinery in Newfoundland, Canada, was still offline following a power outage in the region this weekend.

Reuters, 10:54 January 7, 2014

ConocoPhillips Cuts Oil Output Forecast to 1.475 Million b/d Due to Cold Weather

ConocoPhillips said on Tuesday its fourth-quarter oil production will be lower than expected as severe weather disrupted its operations in parts of the U.S. The extreme cold that has blanketed much of the U.S. has interrupted truck traffic and stranded some wells in recent days. ConocoPhillips said its fourth-quarter output from continuing operations are expected to be 1.475 million b/d of oil, down from its prior forecast for 1.485 to 1.525 million b/d. The company said weather disruptions were not expected to have a long-term effect on output and production this year is still expected to be about 1.6 million b/d.

<http://www.conocophillips.com/newsroom/pages/news-releases.aspx?docid=2063833>

http://www.rigzone.com/news/oil_gas/a/130972/ConocoPhillips_Cuts_Output_Forecast_On_Weather

Natural Gas

Questar Pipeline Declares Force Majeure on 54 Bcf Clay Basin Storage Facility in Utah After Mechanical Failure on Gas Processing System January 7

Questar has experienced a mechanical failure on the gas processing system at its Clay Basin Storage facility in Daggett County, Utah. As a result, Questar cannot meet Northwest Pipeline's 15 degree Cricodentherm Hydrocarbon Dew Point (CHDP) requirement and will not be able to deliver to Northwest Pipeline. Repairs are expected to be completed by Friday, January 10. Questar expects to reduce nominations for delivery to Northwest Pipeline beginning gas day January 7, 2014 ID 2 cycle and continuing until further notice. Additional notices will be posted as information is available. Questar's Clay Basin storage facility has a working gas capacity of 54 Bcf and a cushion gas capacity of 66.21 Bcf. On January 6, prior to the mechanical failure, Northwest Pipeline withdrew 272 MMcf/d from the Clay Basin storage facility.

http://contracting.questar.com/pls/apexqrmpl/f?p=103:51:5389451340546724::NOTICE_DETAIL:NO::P0_NOTICE_ID:14948

http://www.questarpipeline.com/PPT_ClayBasin/ClayBasinMay2009.pdf

Natural Gas Pipeline Co. of America Issues Operational Flow Order for Duke Energy's 640 MW Gas-fired Lee Energy Center in Illinois January 8

With the continuation of sustained colder weather, and under the current system operating conditions, Natural Gas Pipeline Co. of America is issuing an Operational Flow Order (OFO) in the Market Delivery Zone for the delivery point serving Duke Energy's 640 MW Lee Energy Facility in Lee County, Illinois, due to excessive takes above the posted advisory limitation, effective gas day, Wednesday, January 8, 2014, which will remain in effect until further notice.

<http://pipeline.kindermorgan.com/infoposting/noticeDetail.aspx>

<http://www.duke-energy.com/power-plants/wholesale/lee.asp>

Guardian Pipeline Resumes Normal Flows at 1.2 Bcf/d Sycamore Compressor Station in Illinois January 8 After Unplanned Outage January 7

On January 7, Guardian Pipeline had experienced an unplanned outage at the Sycamore Compressor Station in DeKalb County, Illinois. Due to an unanticipated mechanical failure with the Sycamore compressor unit's lube oil cooling system, the unit went down and was not available for operation. As a result, Guardian Pipeline reduced the capacity on the system for the gas day January 7, by allocating beginning with ID1 cycle forward or until such time that the unit can be repaired. Guardian lowered the scheduled capacity through the flow past Bluff Creek Station to 690 MMcf/d. On January 8, Guardian reported that the system's flow past Bluff Creek and Sycamore has now resumed normal operations at 1.2 Bcf/d. The flow past Bluff Creek station capacity was to be increased to 1.0 Bcf/d beginning with 1/7/14 ID2 cycle.

<http://www.gpl.oneokpartners.com/>

Texas Eastern Transmission Returns Uniontown Compressor Station in Pennsylvania to Full Capability January 8 After Unplanned Outage January 7

On January 7, Texas Eastern (TE) experienced an unplanned outage at its Uniontown, Pennsylvania compressor station and repair efforts to restore this compressor station to full capacity were underway. As a consequence of this outage, TE didn't anticipate a capacity reduction through and downstream of Uniontown. On January 8, TE said the outage at the Uniontown Compressor Station had been resolved and the station has returned to full capability.

<http://infopost.spectraenergy.com/infopost/default.asp?pipe=TE>

Texas Eastern Transmission Returns Delmont Compressor Station in Pennsylvania to Full Capability January 8 After Unplanned Outage January 7

Texas Eastern reported January 8 that the unplanned outage at the Delmont Compressor Station reported January 7 has been resolved and the station has returned to full capability.

<http://infopost.spectraenergy.com/infopost/default.asp?pipe=TE>

Canyon Midstream Begins Development of Permian Basin Midstream System in Texas with Initial Capacity of 70 MMcf/d

Canyon Midstream Partners, LLC on Tuesday announced it has commenced development of a natural gas gathering, processing, and treating system in the Permian Basin (the James Lake System). The James Lake System is anchored by a 10-year gathering and processing agreement with one of the world's largest oil and gas companies. The James Lake System will include a cryogenic gas processing plant in Ector County, Texas (the James Lake Plant), with an initial processing capacity of 70 MMcf/d and treating capabilities for natural gas containing hydrogen sulfide and carbon dioxide. To supply the plant, Canyon is developing 40 miles of high pressure gathering trunklines and three compressor stations which will connect to low pressure field gathering systems that the company is constructing for its anchor customer in Ector County and Andrews County, Texas. When completed in late 2014, the James Lake System will deliver residue gas into the El Paso Natural Gas pipeline and offer interconnections to multiple NGL lines in Ector County.

<http://canyonmidstream.com/news/canyon-midstream-partners-begins-development-of-permian-basin-midstream-system/>

Enbridge Reports AGI Trip at Its Tilden Gas Plant in Texas January 7

Enbridge reported acid gas injector (AGI) no. 3 was taken off line to have minor maintenance performed and upon restart of the unit, it tripped due to fifth stage low suction pressure. Plant personnel determined the fourth stage relief valve malfunctioned. Once repairs were completed, AGI no. 3 was started and stabilized.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=192681>

Other News

Kinder Morgan Declares Force Majeure on Argo, Illinois Ethanol Terminal Due to Cold Temperatures; Railways Report Operations Affected

Kinder Morgan declared force majeure at its ethanol terminal in Argo, Illinois yesterday and said it lifted force majeure at its Chicago and Argo, Illinois, ethanol terminals as frigid weather has subsided. Union Pacific Corp., BNSF Railway Co., and Norfolk Southern Corp. have also said their operations are affected.

<http://www.bloomberg.com/news/2014-01-07/ethanol-advances-as-frigid-midwest-weather-curtails-supply.html>

International News

Libyan Protesters Ask Foreign Companies to Buy Oil from Seized Ports Despite Warning From Prime Minister

Armed Libyan protestors on Tuesday asked foreign companies to buy oil from the three ports that they have held since summer. Libya's Prime Minister warned oil tankers to stay away from the eastern terminals seized by armed protesters or they could be sunk. The protesters said they would guarantee security for vessels docking at the eastern ports.

http://www.rigzone.com/news/oil_gas/a/130986/Libya_Autonomy_Group_to_Sell_Oil_from_Seized_Ports

Reuters, 10:29 January 8, 2014

Energy Prices

U.S. Oil and Gas Prices			
January 8, 2014			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	92.45	98.64	92.96
NATURAL GAS Henry Hub \$/Million Btu	4.58	4.31	3.30

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 & 1:00 PM ET every Wednesday.

Natural Gas Weekly Update from EIA

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

Updated after 2:00 PM ET every Thursday.

ENERGY ASSURANCE DAILY

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

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