



ENERGY ASSURANCE DAILY

Friday Evening, February 07, 2014

Major Developments

Update: 300,000 Customers in Mid-Atlantic Remain Without Power February 7

As of 3:30 p.m. Eastern Time today, 305,697 customers remained without power in the Mid-Atlantic after a winter storm moved across parts of the region on Tuesday and Wednesday. In total, the winter storm knocked out power to 1.1 million customers. In Pennsylvania, the hardest hit state, tree limbs heavy with ice crashed down on power lines across the eastern and central parts of the state. PECO said it had restored service to over 450,000 customers by Friday afternoon and had crews working around the clock making repairs.

Mid-Atlantic Customer Power Outages			
February 7, 2014			
Electric Utility	State	Peak	Latest Reported
LG&E/Kentucky Utilities	KY	22,600	85
FirstEnergy	MD	52,392	8,200
Baltimore Gas & Electric	MD	91,327	10,092
PSEG	NJ	33,591	89
FirstEnergy	PA	89,356	19,574
PECO	PA	715,000	263,233
PPL Electric	PA	62,300	4,307
FirstEnergy	WV	39,000	117
TOTAL*		1,105,566	305,697

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

Sources:

- <http://stormcenter.lge-ku.com/default.html>
- <http://outages.firstenergycorp.com/mdwv.html>
- <http://outagemap.bge.com/>
- http://www.pseg.com/home/customer_service/outage_info/outagemap.jsp
- <http://outages.firstenergycorp.com/pa.html>
- <https://www.peco.com/CustomerService/OutageCenter/OutageMap/Pages/OutageMap.aspx>
- <https://www.pplelectric.com/my-account/outage-center/outage-map.aspx>
- <http://outages.firstenergycorp.com/mdwv.html>
- <http://finance.yahoo.com/news/900-000-customers-lose-power-142924985.html>
- <http://www.usatoday.com/story/news/nation/2014/02/06/storm-power-outages-pennsylvania/5251161/>
- <https://www.peco.com/CustomerService/OutageCenter/StormCenter/Pages/default.aspx>

Electricity

CAISO Issues Statewide Electricity Conservation Alert Due to Natural Gas Shortage Curtailing Fuel Supply to Power Plants February 6

A shortage of natural gas triggered by extreme cold weather in much of the U.S. and Canada was impacting fuel supplies to Southern California power plants and reducing electricity generation causing the California Independent System Operator Corporation (CAISO) to issue a statewide Flex Alert Thursday. While the natural gas shortage was only impacting Southern California power plants, statewide electricity and gas conservation will help free up both electricity and gas supplies for Southern Californians. Customers in both Southern and Northern California were asked to reduce their energy use from 1:00 p.m. until 10:00 p.m. local time February 6. CAISO issued the flex alert as three pipelines supplying the state issued critical notices February 6-7 (see [story in Natural Gas section](#)).

<http://www.caiso.com/Documents/ISOIssuesStatewideFlexAlert.pdf>

ERCOT Asks Consumers to Conserve Electricity Due to Extreme Cold, Limited Generation February 6–7

The Electric Reliability Council of Texas (ERCOT), grid operator for most of Texas, asked electric consumers to reduce electric use from 5 p.m. local time Thursday through noon today. The company said this was a precautionary measure to help ensure it could maintain overall reliability through the high-demand period. ERCOT peak demand Thursday morning exceeded 57,000 MW. ERCOT cancelled the Conservation Alert at 11 a.m. local time today after peak demand hours had passed. Electric demand during the peak hour Thursday night was 56,673 MW and Friday morning was 54,156 MW, compared to the 57,277 MW preliminary winter record set the morning of January 7. ERCOT also cancelled a notice posted February 6 alerting consumers in the Rio Grande Valley region that rotating outages were possible due to demands associated with the cold weather and a planned outage on a line that reduced the transmission system's ability to send power to the region

http://www.ercot.com/news/press_releases/show/26583

http://www.ercot.com/news/press_releases/show/26582

http://www.ercot.com/news/press_releases/show/26587

FERC Cites Six Utilities, Grid Operators for Reliability Standard Violations in 2011 Southern California Blackout

The Federal Energy Regulatory Commission (FERC) told 6 utilities and grid operators that they violated reliability standards during a September 2011 blackout caused by a failed maintenance procedure at an Arizona Public Service transmission switch yard near Yuma, which knocked out power to 2.7 million power customers in Arizona, Southern California, and Mexico. The preliminary findings could lead to penalties or requirements to upgrade systems.

<http://www.greenfieldreporter.com/view/story/878a6b70855b4db4a526e41d677b79bc/CA--California-Power-Outage>

PSE&G's 1,096 MW Salem Nuclear Unit 1 in New Jersey Reduced to 74 Percent by February 7

On the morning of February 6 the unit was operating at full power.

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

PSE&G's 1,049 MW Hope Creek Nuclear Unit 1 in New Jersey Reduced to 89 Percent by February 7

On the morning of February 6 the unit was operating at full power.

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

Progress Energy's 811 MW Brunswick Nuclear Unit 2 in North Carolina Reduced to 23 Percent by February 7

On the morning of February 6 the unit was operating at full power.

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

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

On the morning of February 6 the unit was operating at 47 percent from full power on February 5.

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

Dynegy, LLC's 325 MW Morro Bay Gas-fired Unit 3 in California Shut by February 6

The unit entered an unplanned outage.

<http://content.aiso.com/unitstatus/data/unitstatus201402061515.html>

NJR Clean Energy Announces 20 MW Carroll Area Onshore Wind Project in Iowa

NJR Clean Energy Ventures (NJRCEV) on Wednesday announced it acquired the Carroll Area wind farm project, located on 1,100 acres of rural agricultural land in Carroll County, Iowa. NJRCEV will invest approximately \$42 million to construct, own, and operate the wind farm. The energy produced at the Carroll Area wind farm, as well as the renewable attributes, will be sold through a 25-year power purchase agreement with MidAmerican Energy. NJRCEV expects the wind farm will be operational by spring 2015.

<http://www.njresources.com/news/releases/2014/njrcev/14-17CarrollAreaWindFarm.asp>

NPGA Asks FERC to Order More Propane to Midwest, Northeast via Enterprise's TEPPCO Pipeline amid Shortage

The National Propane Gas Association (NPGA) asked the Federal Energy Regulatory Commission (FERC) on Thursday to use its emergency powers to order more supplies of propane via the Enterprise TE Products Pipeline Company LLC (TEPPCO) pipeline to help alleviate shortages in the Northeast and Midwest. In a notice, FERC said the NPGA asked it to immediately order Enterprise to suspend deliveries of 81,000 b/d of diluent and instead supply 75,000 b/d of propane along the TEPPCO pipeline, which runs from the Gulf Coast to the Northeast. NPGA asked for the service to run until the end of the first week of March, according to the filing. The NPGA also wanted Enterprise to reverse the flow of its 190,000 b/d ATEX pipeline, which began service last year, to supplement supplies "if necessary." The ATEX pipeline carries ethane from the Marcellus and Utica shale formations in the Northeast, south to the U.S. Gulf Coast petrochemical market.

<http://www.reuters.com/article/2014/02/07/energy-propane-shortage-idUSL2N0LC02I20140207>

<http://www.atexexpresspipeline.com/>

Canadian Pacific Railway Tanker Spills 12,000 Gallons of Oil in Minnesota February 5

Officials were investigating a 12,000-gallon, 65-mile long oil spill from a Canadian Pacific Railway oil tanker in Winona, Minnesota. The initial investigation shows a bad valve may have been the cause of the spill. Crews were cleaning up the spill and continued to inspect the extent of damage.

http://www.news8000.com/news/65mile-long-oil-leak-reported-in-se-mn/-/326/24293496/-/74wj0bz/-/index.html?hpt=us_bn9

Tesoro Replacing Older Crude Railcars in Its Fleet with Newer Safety Design by Mid-2014

Tesoro Corp. said on Thursday it was replacing older railcars in its crude-by-rail fleet with ones that have the latest safety design. Tesoro's CEO said 90 percent of Tesoro's fleet consists of railcars that meet the latest design standards embraced by the rail industry for all tank cars manufactured after October 2011. The company will replace the remaining 10 percent with cars that meet the standards by mid-2014.

http://www.downstreamtoday.com/news/article.aspx?a_id=42222

Natural Gas

El Paso, Transwestern, and Kern River Pipelines Issue Critical Notices February 6-7

El Paso Natural Gas Company LLC, Transwestern Pipeline Company LLC, and Kern River Gas Transmission Company pipelines, which provide supplies to southern California, posted critical notices on their websites yesterday and today. Transwestern had a "low line pack same day alert," which indicated delivery point operators at the California border would be subject to "alert day charges" if they exceed scheduled quantities. El Paso posted multiple notices indicating that the probability of declaring a Strained Operating Condition (SOC) or Critical Operating Condition (COC) had been set to high meaning El Paso had not yet declared a strained or critical condition but it was concerned about current gas supply conditions due to well freeze-off at some upstream locations. Kern River posted a critical notice reminder to its customers and receipt and delivery point operators that they stay strictly to their scheduled volumes due to continued low line pack throughout the system. Additionally, Kern River noted that the weather forecast is calling for continued extreme cold temperatures for the next several days in all of Kern River's supply areas.

<http://twtransfer.energytransfer.com/ipost/TW>

<http://webapps.elpaso.com/PortalUI/DefaultB.aspx?TSP=EPNG>

<http://www.services.kernrivergas.com/portal/desktop.aspx>

Williams' Transco Issues System-wide Imbalance Operational Flow Order Effective February 10

Transcontinental Pipeline (Transco) posted a notice that effective with the beginning of gas day Monday, February 10 it is issuing a system-wide Imbalance Operational Flow Order (OFO). This OFO imposes a high penalty on shippers with imbalances (greater than scheduled withdrawals).

<http://www.1line.williams.com/1Line/wgp/download?delvid=5585656&hfNoticeFlag=Y&hfDownloadFlag=false&hfFileName=download.html>

Kinder Morgan's NGPL Declares Force Majeure at Compressor Station 113 in Illinois Early February 7; Lifts Force Majeure by Afternoon

Natural Gas Pipeline Co. (NGPL) experienced an outage early this morning at Compressor Station 113 located in Will County, Illinois, resulting in lower pipeline pressures in the Market Delivery Zone (mainly in Iowa and Illinois). As of 1:47 p.m. local time NGPL said the issued at the compressor station had been resolved and the force majeure lifted.

<http://pipeline.kindermorgan.com/infoposting/notices.aspx?type=CRIT>

U.S. Natural Gas Production Falls in January due to Well Freeze Offs in Marcellus Shale – Bentek Energy

U.S. domestic natural gas production in the lower 48 states averaged 65 Bcf/d in January, according to the latest estimates from Bentek Energy, the oil and natural gas analytic unit of Platts. This is down 0.8 Bcf/d or 1.1 percent from December, but up 3.2 percent from January 2013. Bentek's director of energy analysis said the recent and persistent cold in the U.S. Northeast and Midwest regions affected overall production this month, given that wells can freeze during very cold weather which was very noticeable in sample data from the Marcellus shale gas plays. The annual production gain shows just how resilient domestic natural gas production has become, Bentek's director of energy analysis said.

<http://world.einnews.com/article/189383499/cNzxDWk9gJ7WH70x>

NuStar Announces Agreement with Occidental Petroleum to Transport NGLs Through Its 110,000 b/d NuStar Pipeline in Texas

NuStar Energy L.P. announced on Wednesday that the company signed a long-term agreement allowing Occidental Petroleum (Oxy) to ship natural gas liquids (NGLs) on NuStar's currently idled, 200-mile, 12-inch pipeline between Mont Belvieu and Corpus Christi, Texas. NuStar has begun work to reactivate the line, reverse its flow, and convert it from refined products service to NGL service. Oxy will use a majority of the line's capacity to transport NGLs via an interconnect with an Oxy pipeline to the Oxy Ingleside Energy Center export facility located in Ingleside, Texas. The pipeline project is scheduled to be completed and in full operation in the second quarter of 2015, although the pipeline may flow at reduced rates this year.

<http://nustarenergy.com/en-us/Newsroom/Pages/Main.aspx>

Regency Reports AGI Compressor Shut at Its 290 MMcf/d Waha Gas Plant in Texas February 5

Regency reported the acid gas injector (AGI) compressor shut down on high first stage suction pressure due to plant inlet gas operations. Plant operations were lined out and first stage suction pressure was established to within operating parameters. The AGI flare and AGI volume meter were in service during the downtime of the compressor system.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=193915>

Southern Union Reports Units Shut at Its Keystone Gas Plant in Texas February 6

Southern Union reported on Thursday, unit no. 23 was shut so work could be done and the field unit was shut for second stage high level in scrubber. Once the work was completed, unit no. 23 was put back on line. Earlier that day, problems were reported in the cryogenic plant and A bed temperature shut down the plant. Once the cryogenic plant was working again, the sulfur recovery unit was put back online.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=193927>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=193928>

Other News

Two Arrested After \$200,000 of Copper Stolen, Sold in Louisiana

Natchitoches and DeSoto Parish police on Thursday arrested two Natchitoches metal recycling business owners for allegedly receiving \$200,000 in stolen copper from Dolet Mines and selling it for twice its worth. Authorities also arrested several people in connection with the copper thefts.

<http://www.ksla.com/story/24649709/nps-two-recycling>

Tests to Show Dan River Water Safe to Drink after February 2 Duke Energy Coal Ash Spill in North Carolina

As much as 82,000 tons of ash has spilled into the Dan River after a pipe break was discovered Sunday at Duke Energy's retired Dan River Steam Station in Eden, North Carolina. Environmental officials said on Thursday that preliminary water quality tests showed no violations of state standards. Though no immediate threat to drinking water in nearby Virginia towns was reported, officials said concerns remain about how the spill could affect the long-term wellbeing of the Dan River. Duke said the broken storm water pipe under a 27-acre ash pond released enough coal ash to fill between 20 and 32 Olympic-size swimming pools. An estimated 24 to 27 million gallons of ash basin water also reached the river, according to the utility's initial estimates. Hundreds of workers have been at the site this week trying to stop the ash flow and permanently seal the broken pipe, Duke Energy said in a statement. A spokeswoman said there was no indication of when the spill, which was visible several miles downstream, would be fully contained. The state's Department of Environment and Natural Resources said it would continue to evaluate whether the water was safe in the river and was awaiting analysis of multiple metal levels in addition to the results released on Thursday.

<http://www.reuters.com/article/2014/02/07/usa-northcarolina-spill-idUSL2N0LB27W20140207>

<http://www.duke-energy.com/news/releases/2014020601e.asp>

International News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices			
February 7, 2014			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	99.88	98.05	95.71
NATURAL GAS Henry Hub \$/Million Btu	5.88	5.29	3.31

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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