



ENERGY ASSURANCE DAILY

Wednesday Evening, February 18, 2015

Major Developments

Update: CSX Continues Work on Recovery from Oil Train Derailment in West Virginia February 18

CSX teams continue to work with first responders, local officials, the State of West Virginia, and the U.S. Coast Guard, U.S. Environmental Protection Agency, and the Federal Railroad Administration on the assessment and preliminary recovery from a derailment that occurred near Mount Carbon, West Virginia, on Monday, February 16. A CSX spokeswoman said tank cars from a derailed oil train were still on fire on Wednesday. The Federal Railroad Administration was investigating factors that may have played a part in the accident, including track conditions, the train's speed before it derailed and the weather, according to CSX. CSX estimates that approximately 25 tank cars derailed and 20 cars were involved in subsequent fires; the fires around the rail cars will be allowed to burn out. When safe to do so, CSX and its experts will begin transferring oil from the damaged cars to other tanks and those tanks subsequently removed from the site. Initial assessments have confirmed that several of the cars appear to be ruptured or leaking from valves. No rail cars entered the Kanawha River in this incident. CSX teams continue working to deploy environmental protective and monitoring measures on land, air and in the Kanawha River as well as a creek near the company's tracks. Approximately 100–125 residents of homes near the derailment site remained evacuated on Tuesday. The train consisted of two locomotives and 109 rail cars (107 tank cars and two buffer cars). It was traveling from North Dakota to Plains All American's crude oil transloading terminal in Yorktown, Virginia. All of the oil cars were the CPC 1232 models. The cause of the derailment is under investigation.

<http://www.csx.com/index.cfm/media/press-releases/2-pm-tuesday-february-17-update-csx-responds-to-west-virginia-derailment/>

Reuters, 11:48 February 18, 2015

Explosion, Fire Reported at ExxonMobil's 149,500 b/d Torrance, California Refinery February 18

An explosion and fire were reported at ExxonMobil Corp's Torrance, California, refinery at 8:50 a.m. PST Wednesday. Torrance Fire Captain Steve Deuel said a small ground fire following the explosion was quickly extinguished and that firefighters were working with refinery crews to contain a gasoline leak that resulted from the blast. He said structural damage appeared to be confined to the fluid catalytic cracking unit (FCCU) that blew up, but the full extent of damage had yet to be ascertained. The fire department was in the process of stabilizing the situation and excess hydrocarbons were being flared by the refinery. Fourteen schools were under a temporary shelter-in-place order Wednesday morning as a result of the incident. The Torrance Fire Department said there was no chemical release and no citywide shelter in place was necessary. The company said emergency procedures have been activated to address the incident, and employees are working with the appropriate agencies. The refinery has a fresh feed catalytic cracking capacity of 83,500 b/d, according to the Energy Information Administration, and the refinery produces approximately 117,000 b/d of gasoline, according to ExxonMobil's website.

Reuters, 14:26 February 18, 2015

<http://corporate.exxonmobil.com/en/company/worldwide-operations/locations/united-states/torrance>

<https://twitter.com/TorranceCA>

Update: Over 81,000 Customers Remain without Power February 18 after Southeast Winter Storm

81,484 customers remained without power Wednesday in three states after a winter storm producing snow and ice moved across the Southeast starting Sunday night and continuing into Monday and Tuesday. At the peak of the storm, over 622,000 customers were without power across seven states. As of 3:30 p.m. EST, 9,725 Georgia Power, 57,246 Georgia EMC, and 14,513 Duke Energy customers remained without power. Outages previously reported by other utilities impacted by the storm had largely been restored as of Wednesday afternoon. Georgia Power said service has been restored to over 180,000 customers since the start of the winter ice storm on Monday evening. Georgia EMC reported restoration has been difficult due to extreme damage to power lines, power poles, and other utility equipment coupled with thousands of downed trees which must be cleared before workers can gain access to damaged areas. Duke Energy said additional icing and the rebound effect of thawing tree limbs on power lines caused additional outages. Road conditions also affected crews' ability to safely assess and restore power in some areas. Duke expects to have storm-related outages restored by late Wednesday evening.

Southeast Customer Power Outages			
February 18, 2015			
Electric Utility	State	Peak	Latest Reported
Georgia Power	GA	190,000	9,725
Georgia EMC	GA	134,000	57,246
Duke Energy	NC/SC	191,000	14,513
TOTAL*		515,000	81,484

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

Sources:

- <http://outagemap.georgiapower.com/external/default.html>
- https://twitter.com/georgiapower?WT.svl=tw3&hp=dm_db_twitter
- <http://georgiaemc.com/emcs-continue-to-clear-outages>
- <http://georgiaemc.com/storm-center/current-outages>
- <http://www.duke-energy.com/news/releases/2015021702.asp>
- <http://outagemap.duke-energy.com/ncsc/default.html>
- <https://twitter.com/DukeEnergy>
- <http://www.wsbtv.com/ap/ap/georgia/more-than-70000-still-without-power-in-ga-after-ic/nkDJ4/>

Update: Entergy's 653 MW Pilgrim Nuclear Unit 1 in Massachusetts Restarts, Ramps Up to 18 Percent by February 18

Entergy said the plant was taken off line from full power on February 14 in preparation of a potential loss of offsite power or the grid's inability to accept the power Pilgrim generates due to a snowstorm.

- <http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2015/>
- <http://www.capecodtoday.com/article/2015/02/15/28947-pilgrim-nuclear-taken-offline-saturday>

Update: Entergy's 1,207 MW Grand Gulf Nuclear Unit 1 in Mississippi Ramps Up to 78 Percent by February 18

On the morning of February 17 the unit was operating at 44 percent, increased from 18 percent on February 16. The unit restarted and ramped up to 5 percent by February 15 after being shut from full power on February 7 due to an automatic reactor scram caused by a generator/turbine trip.

- <http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2015/>
- <http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2015/20150209en.html>

Update: CN Rail Says Shippers Should Expect Delays after Derailment Cleared in Ontario February 18

Canadian National (CN) Railway Co said on Wednesday its shipping customers should expect delays as traffic on its mainline returns to normal after a weekend derailment of a train carrying crude oil. The derailment site 50 miles south of Timmins, Ontario, was cleared at 10:30 p.m. local time on Tuesday. The accident blocked traffic on the railways' main east-west track between Montreal, Quebec and Winnipeg, Manitoba, the company said. Late on Saturday night, 29 cars carrying Alberta oil sands crude to eastern Ontario derailed from the track and seven caught fire, blocking traffic on the company's main cross-Canada line. The company said the cars were the CPC 1232 tanker cars. The cause of the northern Ontario derailment remains under investigation by Canada's Transportation Safety Board.

Reuters, 17:32 February 17, 2015

Reuters, 11:26 February 18, 2015

BP-Husky Delays FCCU Restart February 17, Reports Flaring Due to Frozen Equipment February 15 at Its 160,000 b/d Toledo, Ohio Refinery

BP Plc and Husky Energy delayed the expected restart of a fluid catalytic cracking unit (FCCU) at their jointly-owned refinery in Toledo, Ohio, according to people familiar with the work. The unit's restart was planned for this week, but was delayed after workers found a hole in an expansion valve. There are plans to inspect the equipment Wednesday to assess damage and come up with a revised restart program. On February 15, BP-Husky reported flaring due to equipment freezing, according to a report with the National Response Center.

Reuters, 12:00 February 18, 2015

Reuters, 14:49 February 17, 2015

Marathon Shuts Reformer at Its 212,000 b/d Catlettsburg, Kentucky Refinery February 17

Marathon Petroleum Corp shut a reformer unit on Tuesday at its refinery in Catlettsburg, Kentucky after an unexpected problem, according to a person familiar with the facility's operations. The refinery is one of 11 facilities across the U.S. where United Steelworkers walked out after the union and refining companies failed to reach an agreement on a national contract. Heavy snow has hit the Catlettsburg area, and the company is operating with fewer maintenance workers, a second person said.

Reuters, 17:54 February 17, 2015

Phillips 66 Reports Compressor Upset at Its 336,000 b/d Wood River, Illinois Refinery February 18

Reuters, 4:08 February 18, 2015

Update: Motiva Shuts Heavy Gas Oil Hydrotreater, Lube Oil Production after Leak at Its 600,250 b/d Port Arthur, Texas Refinery February 17

Motiva Enterprises on Tuesday night shut a 25,200 b/d heavy gas oil hydrotreater and lube oil production at its Port Arthur, Texas refinery, according to sources. On Tuesday morning, the 195,000 b/d crude distillation unit was shut due to a leak in a pipe. A Motiva spokesman said there was an operational upset on a unit at the Port Arthur refinery. Crews were trying to determine exactly which part of VPS-4's piping was leaking and how long it might take to fix it, the sources said. The refinery's 60,000 b/d hydrocracking unit called HCU 2 was shut on Monday and remained shut on Tuesday night due to a leaking seal on the unit's compressor.

Reuters, 00:53 February 18, 2015

LyondellBasell Reports Compressor on Delayed Coker Restarted after Snag February 17, Unit Upset February 18 at Its 263,776 b/d Houston, Texas Refinery

On Tuesday the refinery experienced a brief upset when a compressor tripped on the delayed coker unit. The compressor resumed operations about 30 minutes later. LyondellBasell Industries reported an operational upset in the 940 unit causing the release of Benzene on Wednesday.

Reuters, 11:47 February 18, 2015

Reuters, 17:48 February 17, 2015

Flint Hills Reports Leak at Its 293,000 b/d Corpus Christi, Texas Refinery February 17

Flint Hills Resources reported a leak developed on a grease fitting connected to a valve off of the no.1 cumene reactor at its Corpus Christi, Texas refinery, according to a filing with the Texas Commission on Environmental Quality.

Reuters, 15:32 February 17, 2015

Citgo Reports Sulfuric Acid Leak at Its 427,800 b/d Lake Charles, Louisiana Refinery February 15

Citgo Petroleum Corp on February 15 reported a sulfuric acid leak on a piece of equipment at its Lake Charles, Louisiana refinery, according to a report with the National Response Center.

Reuters, 12:09 February 18, 2015

Shell Reports Smoke in Off-Line Furnace at Its 156,400 b/d Martinez, California Refinery February 17

Reuters, 16:01 February 17, 2015

Phillips 66 Reports Flaring at Its 120,200 b/d Rodeo, California Refinery February 14

Reuters, 16:03 February 17, 2015

Shell Reports Upset at Its 145,000 b/d Anacortes, Washington Refinery February 12

Reuters, 13:14 February 17, 2015

Tesoro Board Approves Mixed Xylene, Isomerization Projects at Its 120,000 b/d Anacortes Washington Refinery

Tesoro Corporation on Tuesday announced that its Board of Directors approved two complementary projects to enhance clean products production at its Anacortes, Washington refinery. These projects include a \$90 million naphtha isomerization project, which is designed to comply with upcoming reduced-sulfur gasoline regulations while simultaneously reducing gasoline production costs, and a \$300 million mixed xylenes project, which upgrades and diversifies the value of the facility's product slate. Startup of the mixed xylene project is expected in 2017 and startup of the isomerization project is expected in 2018, both dates subject to permitting.

http://www.downstreamtoday.com/news/article.aspx?a_id=46503

Murex Petroleum's 500 Barrel Saltwater Spill Contained in North Dakota February 17

The North Dakota Oil and Gas Division reported February 17 that 500 barrels of saltwater were contained and recovered on site, following a 500 barrel spill of saltwater at a Murex Petroleum Corp. oil well in Divide County, North Dakota on February 15. Officials reported that a pump leak was the cause of the spill.

<http://www.dailyjournal.net/view/story/d3cdd485703a4e52bb7ae2dccfa26285/ND--Divide-County-Spill/>

Natural Gas

Update: Dominion Transmission Inc. Issues Force Majeure at Its Borger Station in New York February 18

Dominion Transmission Inc issued a force majeure on Tuesday after a mechanical failure at one of the three compressor stations at its Borger station in Tompkins County, New York. The force majeure was declared due to an unplanned shut down of its no. 4 turbine compressor, resulting in damage to the unit. Dominion anticipates the unit will be back in service after repairs on February 21.

https://escript.dom.com/jsp/info_post.jsp?&company=dti#

1 Bcf/d Access Northeast Pipeline Project Launches Open Season for New England Energy Reliability Solution

Eversource Energy, National Grid, Spectra Energy, and Spectra Energy Partners today announced that National Grid is joining Access Northeast, the innovative energy solution for New England, as a co-developer. Access Northeast will upgrade existing pipeline facilities and market area storage assets in New England to deliver, on peak days, up to 1 Bcf/d of natural gas for electric generation markets. The solution will minimize environmental and community impacts by maximizing use of existing pipeline and utility corridors and existing natural gas infrastructure. The open season will end May 1 and the project has an anticipated in-service date of November 2018.

<http://www.spectraenergy.com/Newsroom/News-Archive/National-Grid-Joins-Eversource-Energy-and-Spectra-Energy-on-Access-Northeast-Project-Launches-Open-/>

UGI Announces 200 MMcf/d Pipeline to Supply 1,000 MW Hummel Natural Gas-fired Power Generation Facility in Pennsylvania

UGI Corporation on Tuesday announced that a subsidiary of its wholly-owned subsidiary UGI Energy Services, LLC, plans to construct an approximately 35-mile pipeline to bring low-cost natural gas produced in the Marcellus Shale region to a planned 1,000 MW natural gas-fueled power generation facility near Shamokin Dam in Snyder County, Pennsylvania. Panda Power Funds and Sunbury Generation LP plan to construct the new Hummel Station power plant on the site of Sunbury Generation LP's existing coal-fired plant that has been retired from operation. The new Hummel plant is expected to be operational in the second half of 2017. In addition to serving the generation plant, the new pipeline will supply natural gas and system reinforcement to distribution systems operated by UGI Penn Natural Gas, Inc. and UGI Central Penn Gas, Inc. Later this year, UGI Sunbury will file for approval to construct and operate the pipeline from the Federal Energy Regulatory Commission (FERC). The 20-inch diameter, steel pipeline will be designed to transport 200 MMcf/d of natural gas. It is expected to be in service in early 2017.

<http://www.ugicorp.com/press-room/ugi-corporation-news/news/news-details/2015/UGI-Announces-35-Mile-Pipeline-to-Supply-1000-MW-Power-Generation-Facility/default.aspx>

Other News

Nothing to report.

International News

Libya Exports First Oil in a Week from Storage at Hariga Port

A tanker has loaded 600,000 barrels of crude from storage at the Libyan port of Hariga, an energy official said on Wednesday, the first vessel to pick up oil for export from the country in more than a week. The official said crude supplies from the Sarir oilfield, which flow to Hariga for export, remained disrupted following a pipeline blast, with repairs and maintenance expected to take a number of days. Hariga is the only operating oil port, though two small offshore platforms can also export around 70,000 to 80,000 b/d of crude. No oil tankers departed Libya in the previous week, industry sources said and ship-tracking data showed on Tuesday.

Reuters, 6:17 February 18, 2015

Pemex Postpones Some Deep Water Exploration Projects Due to Falling Crude Oil Prices

Pemex has postponed some deep water exploration projects and will cut jobs as part of a raft of planned capital delays due to slumping crude prices, the Chief Executive said on Wednesday. Pemex said on Monday it would delay execution of capital projects including major refinery reconfigurations and ultra-low sulfur fuel projects because of a sharp fall in oil prices.

Reuters, 10:34 February 18, 2015

Energy Prices

U.S. Oil and Gas Prices			
February 18, 2015			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	52.08	48.75	99.98
NATURAL GAS Henry Hub \$/Million Btu	2.95	2.63	7.63

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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