



ENERGY ASSURANCE DAILY

Wednesday Evening, March 26, 2014

Major Developments

Colonial Pipeline's 850,000 b/d Line 3 Shut for Unplanned Repairs in Virginia March 25, Expected Back Online March 27

Colonial Pipeline Co. said it expected to return its Line 3 to service on Thursday morning following repairs on the mixed-products line in Virginia. The pipeline was shut on Tuesday after workers investigated an anomaly discovered during a previous internal inspection. Colonial's Line 3 is a key supply pipeline to the Northeast, transporting up to 850,000 b/d of gasoline and distillates from Greensboro, North Carolina, to Linden, New Jersey. Schedules were being updated to reflect the revised estimate to restart, Colonial said in a note to shippers on Wednesday.

<http://www.bloomberg.com/news/2014-03-26/gasoline-gains-as-shut-pipeline-seen-crimping-east-coast-supply.html>

Reuters, 18:59 March 25, 2014

Reuters, 10:26 March 26, 2014

Update: U.S. Coast Guard Fully Reopens Houston Ship Channel March 26, Daylight Restrictions Remain in Place

The Houston Ship Channel opened to both outbound and inbound traffic on Wednesday, although movements are still being limited to daylight hours. The waterway has been shut since Saturday after a barge collision spilled 4,000 barrels of fuel oil. As of 6:30 a.m. CDT, a total of 51 vessels were waiting to come into the channel and 36 were waiting to leave, according to the U.S. Coast Guard. Priority is being given to cargoes of crude oil, perishables, refrigerated goods and cars. Yesterday, Reuters reported that the queue included thirteen inbound tankers carrying around 9.4 million barrels of crude oil. Additionally, three tankers were waiting to enter Galveston Texas City, and three were waiting to leave. ExxonMobil reduced rates on Monday at its 560,500 b/d Baytown, Texas, refinery because of the closure but said on Wednesday it was receiving crude shipments. According to a spokesperson, ExxonMobil would be adjusting rates accordingly and still expected to meet its contractual commitments. The combined capacity of refineries dependent on the ship channel is 2.1 million b/d.

<http://www.dallasnews.com/business/business-headlines/20140326-houston-ship-channel-fully-reopens-for-first-time-since-oil-spill.ece>

<http://www.hydrocarbonprocessing.com/Article/3323484/Latest-News/US-Coast-Guard-reopens-Houston-Ship-Channel-after-recent-oil-spill.html>

http://www.rigzone.com/news/oil_gas/a/132239/Houston_Channel_Slowly_Reopens_Vessel_Queue_Tops_100#sth.ash.D81tT6UN.dpuf

Reuters, 18:26 March 26, 2014

Reuters, 11:00 March 26, 2014

Electricity

Update: PPL's 1,111 MW Susquehanna Nuclear Unit 2 in Pennsylvania Restarted March 25, Ramps Up to 34 Percent by March 26

Operators at PPL's Susquehanna nuclear power plant reconnected the unit 2 reactor to the electrical grid Tuesday after repairing a valve on a non-safety-related water supply pump. By the morning of March 25 the unit had restarted and was operating at 3 percent.

<http://www.prnewswire.com/news-releases/operators-reconnect-unit-2-at-susquehanna-nuclear-power-plant-252413061.html>

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

Exelon's 1,022 MW Clinton Nuclear Unit in Illinois Shut March 25

On the morning of March 25 the unit was operating at 33 percent before shutting due to the loss of a condenser vacuum.

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

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2014/20140326en.html>

Update: Entergy's 1,207 MW Grand Gulf Nuclear Unit 1 in Mississippi Reduced to 27 Percent by March 26

On the morning of March 25 the unit was operating at 64 percent after restarting by March 21. The unit was shut on March 17 to repair a steam leak on non-safety-related equipment.

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

TVA's 1,155 MW Browns Ferry Nuclear Unit 1 in Alabama Reduced to 78 Percent by March 26

On the morning of March 25 the unit was operating at full power.

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

TVA's 1,118 MW Browns Ferry Nuclear Unit 3 in Alabama Reduced to 70 Percent by March 26

On the morning of March 25 the unit was operating at 98 percent.

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

Update: Watson Cogeneration Co.'s 417 MW Watson Natural Gas-fired Unit in California Returns to Service by March 25

The unit returned from an unplanned curtailment of 207 MW that began by March 24.

<http://content.aiso.com/unitstatus/data/unitstatus201403251515.html>

Maryland Approves Plans for ODEC's 1,000 MW Wildcat Point Natural Gas-fired Power Plant March 25

A public utility law judge approved plans for Old Dominion Electric Cooperative (ODEC) to build the 1,000 MW Wildcat Point natural gas-fired power plant adjacent to the existing Rock Springs generation facility in Rising Sun, Maryland. ODEC in 2013 asked the Maryland Public Service Commission for expedited approval of the project so it could bid the power into PJM's upcoming May capacity auction. The approval will be final April 8 and the project is expected to come online by June 2017.

<http://www.platts.com/latest-news/electric-power/birmingham-alabama/maryland-approves-plans-for-1000-mw-odec-gas-21383073?sf2335778=1>

Black Hills Corp. Closes 22 MW Simpson I Coal-fired Power Plant in Wyoming

Black Hills Corp. said it closed its coal-fired power plant on March 19 outside Gillette, Wyoming, in response to recent U.S. Environmental Protection Agency regulations aimed at reducing harmful emissions from industrial boilers and curbing mercury pollution. The company is building a 132 MW natural gas plant in Cheyenne, which will replace much of the lost power. Black Hills also has plans to begin decommissioning the 34.5 MW Osage, Wyoming, plant this year as well as two coal units at W.N. Clark plant in Canon City, Colorado. The 25 MW coal unit at the Ben French power plant in Rapid City, South Dakota, will be decommissioned in 2015.

<http://www.washingtontimes.com/news/2014/mar/25/black-hills-corp-closes-coal-fired-power-plant/>

Petroleum

Gulf Coast Crude Oil Stocks Hit Record High – EIA

Crude oil stocks in the U.S. Gulf Coast increased to a record high last week data from the Energy Information Administration showed on Wednesday. Crude oil stocks in the Gulf Coast rose by 6.1 million barrels in the week ended March 21 to just over 200 million barrels. At the Cushing, Oklahoma, storage hub, oil stocks fell 1.33 million barrels to 28.48 million barrels, its lowest since January 2012. Cushing stocks have fallen due to the January start-up of TransCanada's 700,000 b/d Gulf Coast pipeline. The build-up in Gulf Coast stocks indicates new supply from Cushing is not being absorbed by the region's refinery hub.

Reuters, 11:58 March 26, 2014

Update: BP Reports Crude Unit Operating Normally after Malfunction, Oil Spill at Its 405,000 b/d Whiting, Indiana Refinery March 25

The largest crude distillation unit at BP Plc's Whiting, Indiana, refinery was back to normal operation following an overnight malfunction, a BP spokesman said on Tuesday. The malfunction led to the release of crude oil of between 10 and 12 barrels into Lake Michigan, according to a local CBS report citing a source. Crews were working to clean-up the spilled crude oil.

Reuters, 9:44 March 25, 2014

Reuters, 15:29 March 25, 2014

Citgo Reports Reactor Shell Breach, SRU Emissions at Its 163,000 b/d Corpus Christi, Texas Refinery March 24

Citgo Petroleum Corp. reported a reactor shell was breached in the West Plant of its Corpus Christi, Texas, refinery, resulting in emissions from a sulfur recovery unit (SRU), according to a filing with state pollution regulators on Monday. The West Plant 'A' process was shut down for repairs and sour gas flow was diverted to the 'B' process, the filing said.

Reuters, 18:19 March 25, 2014

CN Rail to Phase out Fleet of 183 Older Oil Tank Cars within Four Years

Canadian National (CN) Railway Co. said on Tuesday it would phase out its fleet of 183 older tank rail cars used to transport diesel fuel over the next four years, as it works to improve safety after numerous industry accidents involving the puncture-prone cars. The company plans to replace the 40 legacy DOT-111 tank cars that it owns with new cars that meet the latest regulatory standards, by the end of 2014. Its remaining 143 leased DOT-111 cars would be replaced gradually over the next four years, the company said.

<https://www.cn.ca/en/media/2014/03/cn-continues-to-strengthen-its-safety-management-system>

http://www.downstreamtoday.com/news/article.aspx?a_id=42708

Natural Gas

Hess Says Its 140 MMcf/d Expansion at Tioga Gas Plant in North Dakota Fully Online March 25

Hess Corp. began accepting North Dakota shale-derived natural gas at its Tioga plant expansion on March 23, and the full plant was online Tuesday, the company's chief executive officer said. The plant was expanded so Hess could process excess natural gas produced at the state's 10,000 oil wells as part of a plan to curb flaring. The Tioga plant can now process up to 250 MMcf/d, up from 110 MMcf/d before the expansion.

Reuters, 12:23 March 25, 2014

<http://oilpatchdispatch.areavoices.com/2013/11/22/hess-ready-to-use-expanded-tioga-gas-plant/>

Lake Charles LNG Export Project in Louisiana Files FERC Application March 25

BG Group announced that Trunkline LNG and Trunkline LNG Export, each a wholly-owned subsidiary of Energy Transfer Equity and Energy Transfer Partners, filed an application with the Federal Energy Regulatory Commission (FERC) seeking the Commission's authorization for the siting, construction, ownership, and operation of the proposed Lake Charles LNG Export project. The proposed project would include the construction of three liquefaction trains and use the existing LNG storage and marine berthing facilities owned by Trunkline LNG Company, LLC. Pending final investment decisions and the receipt of all necessary approvals expected in 2015, construction would start shortly afterwards, with first LNG exports anticipated in the second quarter of 2019.

<http://online.wsj.com/article/PR-CO-20140325-912827.html>

Other News

Nothing to report.

EU, U.S. Consider Joint Efforts on EU Energy Security – Joint Statement

The European Union (EU) must improve its energy security after Russia's takeover of Ukraine's Crimea peninsula and is working on it with the U.S., a joint statement of EU and U.S. leaders said on Wednesday. "The situation in Ukraine proves the need to reinforce energy security in Europe and we are considering new collaborative efforts to achieve this goal," the statement said. The EU now buys most of its gas from Russia, making the 28-nation bloc dependent on supplies from the Russian state-owned Gazprom monopoly. European leaders said last week they would like to diversify their energy sources and the U.S., thanks to new technologies, now has large quantities of shale gas that it could sell to Europe.

http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ec/141920.pdf

Reuters, 11:14 March 26, 2014

Shell Nigeria Declares Force Majeure on Forcados Oil Exports March 25

Shell Nigeria on Tuesday declared force majeure on exports from its Forcados crude oil terminal that stopped operating on March 4 because of a leak, blamed on oil thieves, in its undersea pipeline in the Gulf of Guinea. Forcados can handle 400,000 b/d of crude oil, more than a fifth of the 2.2 billion barrels produced in Nigeria.

http://www.downstreamtoday.com/news/article.aspx?a_id=42701

Iran Plans New Oil Terminal to Bypass Strait of Hormuz – Senior Trade Official

An Iranian senior trade official said the country was planning to build a new oil terminal at Bandar Jask port, on the Oman Sea, beyond the strategic Strait of Hormuz. Iran's sole major crude export terminal is at Khark Island in the Persian Gulf. Iranian officials in the past had threatened to close Hormuz at the mouth of the Gulf, the passageway through which a fifth of the world's oil flows, if its interests are seriously threatened or it is unable to export oil.

http://www.downstreamtoday.com/news/article.aspx?a_id=42700

Energy Prices

U.S. Oil and Gas Prices			
March 26, 2014			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	100.22	99.97	95.18
\$/Barrel			
NATURAL GAS			
Henry Hub	4.50	4.47	4.08
\$/Million Btu			

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

Energy Assurance Daily provides a summary of public information concerning current energy issues. Published Monday through Friday to inform stakeholders of developments affecting energy systems, flows, and markets, it provides highlights of energy issues rather than a comprehensive coverage. *Energy Assurance Daily* is updated online Monday through Friday after 5:00 p.m. ET. For more information, visit the Infrastructure Security and Energy Restoration (ISER) website at:

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

Please direct comments and questions to: ead@oe.netl.doe.gov