



ENERGY ASSURANCE DAILY

Thursday Evening, March 27, 2014

Major Developments

Update: Houston Ship Channel Vessel Jam Eases as Oil Spill Clean-up Continues March 27; ExxonMobil's 560,500 b/d Baytown, Texas Refinery Returning to Normal Operations

The U.S. Coast Guard reported a total of 67 ships were waiting to move through the Houston Ship Channel on Thursday morning as the cleanup of a Saturday oil spill in Galveston Bay continued. Of Thursday's 67 ships total, 46 were waiting to enter and 21 waiting to exit. Not all of those ships were tankers, the Coast Guard said. The channel was shut on Saturday when a Kirby Inland Marine fuel oil barge collided with a cargo ship near the entrance to Galveston Bay, spilling 4,000 barrels of heavy fuel oil. The channel reopened on Tuesday, though ships had to check-in at inspection and decontamination stations along the waterway. The Coast Guard temporarily banned ships from moving along the channel at night to prevent vessels from spreading the oil to the northern end of the Bay. Exxon Mobil Corp. also reported on Thursday its Baytown, Texas, refinery was returning to normal operations after it was forced to cut production due to the closure of the channel. The company said on Wednesday it was receiving crude shipments but had been forced to cut production because crude oil tankers were unable to supply the plant.

Reuters, 8:28 March 27, 2014

Reuters, 10:24 March 27, 2014

Update: Colonial Pipeline's 850,000 b/d Line 3 Restarts After Unplanned Repairs in Virginia March 27

Colonial Pipeline Co. said it restarted its Line 3 on Thursday 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.

Reuters, 14:26 March 27, 2014

Electricity

Update: PPL's 1,111 MW Susquehanna Nuclear Unit 2 in Pennsylvania Ramps Up to 74 Percent by March 27

On the morning of March 26 the unit was operating at 34 percent after restarting by March 25. Operators had reconnected the unit 2 reactor to the electrical grid March 25 after repairing a valve on a non-safety-related water supply pump.

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

Update: TVA's 1,118 MW Browns Ferry Nuclear Unit 3 in Alabama Ramps Up to 98 Percent by March 27

On the morning of March 26 the unit was operating at 70 percent, down from full power by March 25.

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

Update: Entergy's 1,207 MW Grand Gulf Nuclear Unit 1 in Mississippi Ramps Up to 80 Percent by March 27

On the morning of March 26 the unit was operating at 27 percent, down from 64 percent by March 25. The unit was restarted by March 21 after being 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/>

Update: RRI Energy, Inc.'s 245 MW Coolwater Gas-fired Unit 3 in California Returns to Service by March 26

The unit returned from an unplanned curtailment of 120 MW that began by March 25.

<http://content.caiso.com/unitstatus/data/unitstatus201403261515.html>

EPA Issues Air Permit to El Paso Electric's 88 MW Natural Gas-fired Montana Power Station in Texas March 26

The Environmental Protection Agency (EPA) issued the greenhouse gas (GHG) permit for El Paso Electric's (EPE) Montana Power Station in east El Paso, Texas, which will become effective 30 days from the date of issuance unless it is appealed. EPA's permit action follows the Texas Commission on Environmental Quality's decision in January 2014 to issue a separate permit for emissions other than GHG. Issuance of the EPA permit at this time allows EPE to stay on track to bring the first two units of the power station online by summer of 2015.

<http://www.epelectric.com/about-el-paso-electric/article/epa-air-permit-issued-to-build-montana-power-station>

<http://www.epelectric.com/about-el-paso-electric/montana-power-station>

Petroleum

Whiting Petroleum's Nabors Oil Production Rig Explodes in North Dakota March 25

A Nabors B8 production rig on a Whiting Petroleum site near Watford City, North Dakota, caught fire when part of the floor and site burst into flames Tuesday, injuring one person. The initial cause of the fire was believed to be a pressure build-up that caused material to escape and ignite. Authorities were investigating the incident.

http://www.willistonherald.com/news/oil-rig-explodes-near-watford-city/article_1c0cf71e-b4eb-11e3-88c4-001a4bcf887a.html

ExxonMobil Shuts Gasoline Loading Rack at Baton Rouge, Louisiana Terminal as it Investigates Possible Bad Gasoline Batch

ExxonMobil was investigating a potentially bad batch of gasoline that could be leading to car problems for numerous Baton Rouge drivers. ExxonMobil released a statement on Wednesday saying it had been made aware of a potential issue with regular unleaded gasoline purchased at select locations in the Baton Rouge, Louisiana, area. The company shut down the Baton Rouge terminal gasoline loading racks while the investigation continues.

<http://world.einnews.com/article/197167335/lbrnZc-Jfdkt0vZm>

Total Restarts SRU at Its 233,500 b/d Port Arthur, Texas Refinery March 26

Total restarted a sulfur recovery unit (SRU) after an unexpected shutdown on Wednesday at its Port Arthur, Texas, refinery, according to a filing with Texas Commission on Environmental Quality. The SRU was shut due to a high liquid level in a knock out drum on the inlet stream to the unit, the filing said. The malfunction was fixed and the company said it would conduct a formal investigation of the incident.

Reuters, 17:28 March 26, 2014

Valero Reports Emissions at Its 85,000 b/d Ardmore, Oklahoma Refinery March 23

Valero Energy Corp. reported nitrogen oxide emissions from a crude atmospheric tower heater due to unknown reasons at its Ardmore, Oklahoma refinery on Sunday, according to a filing with the Oklahoma Department of Environmental Quality made public on Wednesday.

Reuters, 13:55 March 26, 2014

CVR Energy Reports FCCU Regenerator Emissions at Its 70,000 b/d Wynnewood, Oklahoma Refinery March 24

CVR Energy Inc. reported carbon monoxide emissions from a fluid catalytic cracking unit (FCCU) regenerator at its refinery in Wynnewood, Oklahoma on March 24, according to a filing with state pollution regulators on Tuesday.

Reuters, 13:54 March 26, 2014

Southern Cross' Natural Gas Pipeline Ruptures in Texas March 25

A Southern Cross-owned natural gas pipeline was shut down to allow a leak to burn out after it ruptured March 25 in Rockport, Texas. Officials looped the pipeline around Copano Bay and attached it to another pipeline in order to keep service while repairs were made. Southern Cross will investigate the cause of the leak and figure out how to repair the line in the coming weeks.

http://www.victoriaadvocate.com/news/2014/mar/25/pipeline_rockport_032614_235842/

Canada Approves Four LNG Export Licenses along British Columbia Coast March 26

Canada's minister of natural resources on Wednesday gave final approval to four liquefied natural gas (LNG) export licenses, all for projects proposed along the British Columbia coast and targeting Asian markets. The four facilities—Pacific Northwest LNG (19.68 million tonnes per annum (mtpa)), Prince Rupert LNG (21.6 mtpa), WCC LNG (30 mtpa), and Woodfibre LNG (2.1 mtpa)—were previously approved by Canada's National Energy Board in December 2013.

<http://www.platts.com/latest-news/shipping/knoxville-tennessee/canada-approves-four-lng-export-licenses-off-21389224>

Other News

Duke Energy Repairs Crack in Dam at Retired Cape Fear Steam Electric Station's Coal Ash Pond in North Carolina

A crack in an earthen dam at the Cape Fear Steam Electric Station in Chatham County has been repaired by Duke Energy crews, the North Carolina Department of Environment and Natural Resources (DENR) reports. Duke Energy reported to state officials March 20 that a crack had formed in an earthen dam at an ash impoundment at the utility's Cape Fear plant. No water leaked from the ash impoundment through the crack and state officials did not think it was in imminent danger of failing. After DENR staff approved the company's emergency response plan March 21, Duke Energy started removing water from a horizontal pipe in the ash impoundment and used a plug to stop water from exiting the pond through the pipe. The company then slowly removed portions of the earthen dam where the crack formed to address concerns that the soil in the dam could move and strike the nearby vertical pipe, and lead to a rupture in the dam. That portion of the earthen dam was then flattened and stabilized with a layer of geotextile fabric and riprap. The top portion of the geotextile fabric was anchored to the earthen dam, and the plug in the spillway pipe kept in place. DENR officials will be working with the company on a long-term repair to the dam.

http://portal.ncdenr.org/c/journal/view_article_content?groupId=4711509&articleId=20024480

International News

NCOC Says No Restart Date Yet for Kazakhstan's Kashagan Oilfield, Probe Results Delayed

The North Caspian Operating Company (NCOC), led by Exxon Mobil, Royal Dutch Shell, Total, Eni, and Kazakh state oil firm KazMunaiGas, developing Kazakhstan's huge Kashagan oilfield said on Thursday the results of a probe into an industrial accident there were now expected in March/June 2014. It also said it was unclear when crude production could be restarted. The NCOC, which had originally said it expected final test results in February or March, also on Thursday reiterated its earlier statement, identifying sulphur stress cracking as "the root cause of the pipeline issues" at Kashagan. Production at the Caspian Sea field started in September 2013 but halted in early October after gas leaks were detected in its pipeline network.

Reuters, 9:10 March 27, 2014

Energy Prices

U.S. Oil and Gas Prices			
March 27, 2014			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	101.60	99.48	96.19
NATURAL GAS Henry Hub \$/Million Btu	4.42	4.42	3.99

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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