



ENERGY ASSURANCE DAILY

Tuesday Evening, April 08, 2014

Electricity

Power Nearly Fully Restored to 11,000 Alabama Power Customers after Heavy Rains, High Winds Move across State April 6–7

Severe thunderstorms and high winds moved across Alabama overnight Sunday into Monday morning downing trees and knocking out power to 11,000 Alabama Power customers. On Tuesday morning, Alabama Power said that with the exception of some isolated cases, power has been restored to nearly all customers.

<https://twitter.com/alabamapower>

http://blog.al.com/live/2014/04/storms_move_through_the_area_k.html

Southern's 1,149 MW Vogtle Nuclear Unit 2 in Georgia Shut April 8

Southern Co. said unit 2 automatically shut from full power early Tuesday due to a change in the feed water level. There was no radiological release or injuries, and the cause of the shutdown was under investigation, the company said. Meanwhile, unit 1 remains shut for a planned refueling and maintenance outage.

Reuters, 11:05 April 8, 2014

<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 73 Percent by April 8

On the morning of April 7 the unit was operating at 40 percent, down from 60 percent on April 6.

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

Entergy's 510 MW Vermont Yankee Nuclear Unit in Vermont Reduced to 52 Percent by April 8

On the morning of April 7 the unit was operating at full power.

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

Update: Entergy's 813 MW FitzPatrick Nuclear Unit in New York at Full Power by April 8

On the morning of April 7 the unit was operating at 50 percent, down from full power on April 6.

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

Update: Exelon's 619 MW Oyster Creek Nuclear Unit in New Jersey at Full Power by April 8

On the morning of April 7 the unit was operating at 83 percent. The unit dropped to 60 percent by April 5 from full power on April 4.

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

Petroleum

Magellan's Longhorn Crude Oil Pipeline in Texas Raising Flows to 275,000 b/d

Magellan Midstream Partners said on Tuesday it was in the process of raising crude oil flows by 50,000 b/d to 275,000 b/d on its Longhorn pipeline from Crane to Houston, Texas. Magellan had said previously it would expand capacity to 275,000 b/d but that it would be hard to reach such flow rates by the second quarter of this year before storage tanks were built at the origin and destination points of the line.

Reuters, 10:39 April 8, 2014

Valero Reports Emissions at Its 200,000 b/d Corpus Christi, Texas Refinery April 7

Valero Energy Corp. reported emissions at the West plant of its Corpus Christi, Texas, refinery due to an equipment malfunction at a third-party off-gas processing facility, according to a filing with the Texas Commission on Environmental Quality on Monday. The flare gas recovery system was utilized and excess fuel gas was consumed where possible throughout the refinery, the filing said.

Reuters, 12:51 April 7, 2014

Shell Reports Unspecified Shutdown at Its 145,000 b/d Anacortes, Washington Refinery March 31

Royal Dutch Shell Plc reported an unspecified shutdown at its Puget Sound refinery in Anacortes, Washington, on March 31, according to a filing with the Northwest Clean Air Agency made public on Monday.

Reuters, 17:57 April 7, 2014

Natural Gas

Williams Reports Fire on 12-inch Natural Gas Gathering Pipeline in West Virginia April 5

Williams Partners LP said it experienced a fire on an unprocessed natural gas pipeline in Marshall County, West Virginia on Saturday. Williams said production from three producing locations was affected by the incident. Williams expected to repair the damaged gathering pipeline and restore flow from those locations as soon as conditions permit. The cause of the incident was under investigation. Williams isolated and drained a 4-inch natural gas liquids pipeline in the same right of way as the damaged pipeline for a precautionary inspection. Gastar Exploration Inc. said on Monday its Marcellus shale production was temporarily interrupted due to the rupture of the Williams-operated pipeline but said it hoped to restart production as early as Tuesday night. Williams has stated that it expects to re-route Gastar's gas production to a larger pipeline it owns and operates south of Gastar's acreage that feeds the Ft. Beeler station. Gastar plans to collect produced condensate in temporary storage on an existing Marcellus pad and truck it to sales. The two companies expect to operate in this temporary mode an estimated two weeks, depending on the progress of repairs on Williams' ruptured pipeline.

Reuters, 17:35 April 7, 2014

<http://www.gastar.com/releasedetail.cfm?ReleaseID=838665>

Update: Williams Details Damage from March 31 Explosion at Its 2.4 Bcf LNG Facility in Plymouth, Washington; Investigation Focusing on Failed Pressure Valve

Williams Partners L.P. was continuing to work with a team of third-party experts in conducting a post-incident investigation at its liquefied natural gas (LNG) facility near Plymouth, Washington, as efforts continue to determine the cause of the March 31 explosion and fire at the plant. A preliminary assessment of the approximately 80-acre facility showed damage to equipment including piping, yard valves, and one of the facility's two LNG tanks. Personnel and authorities were assessing the extent of damage to the tank and determined it was secure. The company was starting the process to transfer the LNG in the tank to the adjacent undamaged tank. Damage also occurred to several structures on site, including the control room and mechanic shop. The cause of the incident will not be known until the investigation is complete but the investigation was focused on a failed pressure vessel that removes carbon dioxide from the gas prior to its being liquefied. The Northwest Pipeline natural-gas transmission system was operating; there are currently no interruptions to customers.

<http://co.williams.com/williams/news-media/plymouth-wa-update/>

Hawaii Gas Brings in First Shipment of Containerized LNG April 7

Hawaii Gas brought its first containerized shipment of 10,000 gallons of liquefied natural gas (LNG) to Hawaii as part of a program to provide a backup to the synthetic natural gas it makes at its plant in Campbell Industrial Park. Crews began processing the shipment at Honolulu Harbor on Monday, using special equipment to convert the LNG back into its gaseous form for use by the utility's customers. Hawaii Gas expects to ship in one container every two to four weeks.

http://www.staradvertiser.com/news/breaking/20140407_Hawaii_Gas_brings_in_first_shipment_of_containerized_LNG.html

Southern Union Reports SRU Shut Due to Suspected Fire at Its Keystone Gas Plant in Texas April 6

Southern Union reported plant operators shut the sulfur recovery unit (SRU) due to a suspected fire under the insulation on the acid gas line leading into A bed reactor. The recycle blower was also found to be down at that time. While operations were putting out the suspected fire, the amine was over pressured and caused the plant to go sour. Once operations staff felt secure the hot spot was sufficiently cooled, they began relieving the pressure in the amine. They also began the process of reestablishing amine circulation and getting the amine reboiler back online. The investigation was ongoing into the hotspot on the piping leading to reactor bed A. Operations were working with the engineering department to upgrade key controls in the amine and SRU units to prevent a reoccurrence
<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=196394>

Other News

Energy Companies Need Insurance Cover for Cyber Attack ‘Time Bomb’ – Willis

Insurance company Willis’s annual Energy Market Review notes that the energy industry might be sitting on an uninsured cyber-attack “time bomb.” While insurance cover is readily available for non-catastrophic cyber-attack losses to data and intellectual property, it can be much more challenging to access cover for a truly catastrophic event involving physical loss or damage or business interruption running into billions of dollars. Certain markets, however, have emerged recently with the appetite and capacity to provide energy companies with at least a degree of cyber-attack insurance cover. Willis argues that connectivity to the internet is so often the norm for so many Industrial Control Systems (ICS) used by the energy industry, that a major energy catastrophe – on the same scale as Piper Alpha, Phillips Pasadena, Exxon Valdez or Deepwater Horizon – could indeed be caused by a cyber-attack (whether politically motivated or not), and that cover for such a loss is generally not currently provided by the Energy insurance markets.

http://www.willis.com/documents/publications/Industries/Energy/20140404_Willis_Energy_Market_Review_2014.pdf

International News

Update: Libya’s NOC Keeps Force Majeure in Place at Zueitina, Hariga Oil Ports

Libya’s National Oil Corp. (NOC) has yet to lift force majeure at the eastern ports of Zueitina and Hariga following a deal with federalist rebels to reopen them after a nine-month blockade, an oil ministry official said on Tuesday. The official said staff at Arabian Gulf Oil Co, which runs the Hariga terminal, had joined a general strike in Benghazi that began on Sunday. It was unclear whether this would affect the port’s ability to resume exports. Workers at Zueitina were carrying out maintenance and checking facilities before the resumption of exports. Only the western offshore oilfields Bouri and Al Jurf were producing and exporting as usual. Crude from the only open port in the east was being sent to the Zawiya refinery, to make up for the still-closed southwestern El Sharara oilfield, which normally feeds it.

Reuters, 10:21 April 8, 2014

Shell Exports First Oil from 210,000 b/d Majnoon Field in Iraq April 7

Royal Dutch Shell reported late Monday that it exported its first oil from the Majnoon oilfield in southern Iraq to its Shell Trading operation. Shell and its partners (South Oil Company, Petronas, and Missan Oil) recommenced production from Majnoon in September 2013 following the completion of major overhaul works including drilling 18 new wells.

http://www.rigzone.com/news/oil_gas/a/132468/Shell_Exports_1st_Oil_from_Majnoon_Field_in_Iraq#sthash.517ZNPjW.dpuf

Energy Prices

U.S. Oil and Gas Prices			
April 8, 2014			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	101.93	99.96	92.84
NATURAL GAS Henry Hub \$/Million Btu	4.55	4.47	3.98

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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