



ENERGY ASSURANCE DAILY

Thursday Evening, May 01, 2014

Major Developments

CSX Train Carrying Bakken Crude Oil Derails, Catches Fire in Lynchburg, Virginia April 30

Thirteen cars of a 105-car CSX Corp. train carrying Bakken crude oil derailed at approximately 2:30 p.m. EDT Wednesday in Lynchburg, Virginia. Several derailed cars caught fire and three cars fell down an embankment into the James River and kept leaking oil into the evening. According to officials at least 50,000 gallons of crude oil is missing. It is unclear how much oil burned off and how much of it spilled into the river. The train originated in the Bakken shale region in North Dakota and was handed off to CSX at Chicago en route to Yorktown, Virginia. Lynchburg City officials said there were no injuries and the 300-350 people who were evacuated were allowed to return to their homes Wednesday evening. On Thursday, CSX said it completed the safe removal of the non-derailed cars from the scene of the derailment alleviating blocked road crossings in the community and providing personnel better access to the derailed cars. Efforts were ongoing to re-rail the remaining cars. CSX said it was implementing a comprehensive environmental assessment and protection effort that includes land-, air- and water-based assessments of potential impacts from the derailment, including measures to prevent dispersal of any contents from the train that may have entered the James River.

<http://www.wdbj7.com/video/NTSB-news-conference-about-Lynchburg-train-derailment/25757698>

<http://www.csx.com/index.cfm/media/press-releases/csx-transportation-oil-train-derails-at-lynchburg-va/>

<http://www.csx.com/index.cfm/media/press-releases/recovery-continues-at-lynchburg-va-derailment/>

<http://www.wset.com/story/25392359/train-has-derailed-in-lynchburg>

Reuters, 12:09 May 1, 2014

Electricity

Update: Over 8,200 Customers Remain without Power in Southern California May 1 as Winds Continue to be Unpredictable

Yesterday high winds knocked out power to 44,817 customers in the Inland Empire of Southern California. As of 12:00 p.m. PDT today, 8,262 total customers were without power including 6,021 Southern California Edison customers, 1,975 San Diego Gas and Electric customers, and 266 Los Angeles Department of Water and Power (LADWP) customers. Southern California Edison (SCE) crews said this morning that it made significant progress restoring service through the night and morning hours. As conditions change and winds continue to be unpredictable, SCE reminded customers that some may continue to experience service interruptions. LADWP said it expected all power to be restored by this evening. A Red Flag Warning was declared for Orange County through 8 p.m. PDT on Thursday, according to the National Weather Service

<https://www.sce.com/wps/portal/home/outage-center/outage-map/outage-list-view/>

<https://twitter.com/LADWP>

<http://www.sdge.com/safety/outages/outage-map>

<http://www.wrh.noaa.gov/sgx/>

Update: Gulf Power, Georgia Power Restore Power to Nearly All Customers by May 1 after Strong Storms Knocked Out Power to More Than 110,000 April 30

Gulf Power Co. and Georgia Power on Thursday had restored power to nearly all of the 110,000 customers who lost power in Northwest Florida and Georgia during Wednesday's strong storms. As of 3:00 p.m. EDT today, 540 Gulf Power customers and 136 Georgia Power customers remained without power.

<http://outagemap.gulfpower.com/external/default.html>

<http://outagemap.georgiapower.com/external/default.html>

ERCOT Expects 2,153 MW from Six New Power Plants in Texas to Begin Operating by Late Summer

The expected addition of new generation sources in the Electric Reliability Council of Texas (ERCOT) region improves expectations for later this summer and will continue to benefit the system in upcoming years. By August, six new generating units totaling 2,153 MW of combined capacity are expected to begin operations, with 2,112 MW of that coming from four new facilities: Ferguson Replacement, Panda Sherman, Panda Temple I, and Deer Park Energy Center. Meanwhile, a new 703 MW gas-fired unit, FGE Texas 1, has been added to expected resources for 2017, and a new 299 MW wind power facility in Floyd County also has been added, beginning in 2015.

http://www.ercot.com/news/press_releases/show/26625

Update: Exelon's 1,134 MW Limerick Nuclear Unit 2 in Pennsylvania Restarts by April 30, Ramps Up to 51 Percent by May 1

By the morning of April 30 the unit had restarted and was operating at 6 percent. Unit 2 was removed from service April 24 to perform planned inspections of the main turbine.

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

<http://www.exeloncorp.com/newsroom/LimerickUnit2OfflineforPlannedTurbineInspections.aspx>

Update: Entergy's 1,207 MW Grand Gulf Nuclear Unit 1 in Mississippi Ramps Up to 90 Percent by May 1

On the morning of April 30 the unit was operating at 78 percent, up from 51 percent on April 28.

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

AES's 175 MW Alamitos Gas-fired Unit 1 in California Shut by April 30

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201404301515.html>

Calpine's 120 MW Gilroy Cogen Aggregate Gas-fired Unit in California Shut by April 30

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201404301515.html>

Petroleum

Gasoline Production Halted, Decommissioning Process Started at Flint Hills' 85,000 b/d North Pole, Alaska Refinery May 1

Flint Hills Resources halted gasoline production today at its North Pole refinery in Alaska, the first step toward a gradual shutdown of the plant. Jet fuel and heating fuel production will come to an end on May 24, about a week ahead of the refinery's initial shutdown schedule, according to a company spokesperson. Carefully mothballing the plant during the coming months will allow a prospective buyer to resume production more quickly, the spokesperson added. Flint Hills announced in February that it planned to close its North Pole refinery, citing the high costs of doing business in Alaska and its ongoing obligations from an industrial chemical spill at the refinery. Although Flint Hills is no longer producing fuels, it still intends to honor its supply contracts with customers. Cook said the company will purchase products from other in-state refineries to meet those obligations.

http://www.newsminer.com/news/local_news/gasoline-production-halted-at-flint-hills-refinery/article_edc6d10e-d10a-11e3-8cb7-0017a43b2370.html

<https://www.fhr.com/refining/alaska.aspx?AspxAutoDetectCookieSupport=1>

Tesoro's 380,000 b/d Crude Oil Railport in Washington Delayed Due to EIS – Company Executive

Tesoro Corp.'s plan for a crude oil rail-to-barge project at the Port of Vancouver in Washington has been delayed as the company awaits state requirements for an environmental impact statement (EIS), the company's chief executive said on Thursday. The joint-venture project with Savage Services had been targeted to start up in late 2014 or early 2015. Construction is now expected to begin during that timeframe, with initial inland U.S. crude volumes running through the railport in mid-2015. Tesoro submitted environmental permit applications for the project in August last year seeking approval for a 380,000 b/d facility, but the actual volumes are expected to hover at 300,000 b/d, according to the chief executive. The railport would serve both Tesoro refineries and others along the U.S. West Coast.

Reuters, 10:01 May 1, 2014

Wellhead Explosion Reported at Oil Field in West Texas April 30

An explosion Wednesday at an oil field in Loving County, Texas, killed two workers and injured nine others. The workers were changing a wellhead when the buildup of pressure caused the explosion. Broken cell phone and radio connections in the rural area slowed updates on the explosion. The sheriff in Loving County said the name of the company operating the oil field was unknown but the area where the explosion occurred is owned by RKI Exploration and Production, according to KWES TV in Odessa.

http://www.rigzone.com/news/oil_gas/a/132855/Oil_Field_Wellhead_Explosion_in_West_Texas

Natural Gas

Update: Williams Partners Brings 395 MMcf/d of Capacity Back into Service May 1 at Its Opal, Wyoming Gas-Processing Plant

Williams Partners on Thursday brought back into service two cryogenic processing trains that were shut April 23 when a fire occurred at TXP-3, one of the five processing trains at the Opal, Wyoming gas-processing facility. The two units back in service, TXP-1 and TXP-2, have a combined design processing capacity of 395 MMcf/d. The two other units that were part of the shutdown, TXP-4 and TXP-5, remain offline as the company works to take the necessary steps to bring additional portions of the plant into service in a safe, systematic, and timely manner. At the time of the incident, the Opal Gas-Processing Plant was processing daily inlet volumes of approximately 1 Bcf/d. The capacity of the TXP-1, -2, -4 and -5 plants totals 1.1 Bcf/d, which is sufficient to handle all of the natural gas currently available to the facility. TXP-4 was idle at the time of the fire, serving as excess capacity for the facility. The initial visual assessment of damage indicates that the impact was largely limited to a small area of the TXP-3 plant. Information from the company's visual inspection of the damage area indicated that there was a release of natural gas that was subsequently ignited. The company, in coordination with regulatory agencies, was focusing the investigation on the cause of the release and source of ignition.

<http://www.williamsip.com/profiles/investor/ResLibraryView.asp?ResLibraryID=69820&BzID=1296&g=345&Nav=0&LangID=1&s=0>

Suspected Gas Explosion Under Investigation at Escambia County Jail in Pensacola, Florida April 30

Florida officials were investigating whether a flooded laundry room at Escambia County jail in Florida was the source of leaking gas that sparked the massive explosion on Wednesday that killed two inmates and injured 150 others. The Escambia County sheriff said rains from a week ago had caused a retaining wall at the Pensacola facility to collapse, and may have exacerbated the problem as more rain hit the region on Wednesday.

<http://www.nbcnews.com/storyline/deadly-tornado-outbreak/escambia-county-jail-pensacola-florida-hit-deadly-blast-n94396>

Magnolia LNG Files FERC Application for Louisiana Export Project

Magnolia LNG, LLC on Wednesday announced it filed an application with the U.S. Federal Energy Regulatory Commission (FERC) seeking authorization for the siting, construction, ownership, and operation of the proposed Magnolia LNG Project. This project is located along the Calcasieu River, near Lake Charles, Louisiana. Magnolia LNG anticipates receiving all approvals during 2015. Construction will commence shortly thereafter with first LNG exports planned for the second half of 2018.

<http://www.magnolialng.com/IRM/Company/ShowPage.aspx/PDFs/2036-98499840/MAGNOLIALNGfilesFERCapplicationforLouisianaexport>

Other News

Nothing to report.

International News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices			
May 1, 2014			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	99.80	102.20	90.30
NATURAL GAS Henry Hub \$/Million Btu	4.78	4.70	4.30

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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