



# ENERGY ASSURANCE DAILY

Tuesday Evening, June 17, 2014

## Electricity

### Strong Thunderstorms Knock Out Power to Over 211,000 Customers in Upper Midwest June 16–17

Several lines of thunderstorms passed through the Upper Midwest overnight Monday into Tuesday packed with torrential rain, high winds, and lightning knocking out power to 211,371 customers in Iowa, Illinois, Michigan, Minnesota, and Wisconsin. As of 3:30 p.m. EDT today, 40,595 customers were without power in the affected states. Xcel Energy reported significant damage to its distribution infrastructure in Minnesota and Wisconsin, including downed trees and power lines. Xcel said it expected to complete restoration by the end of the day. Alliant Energy Iowa said some areas may not be restored until late today. WE Energies and MidAmerican Energy said crews continue working in the area to restore power. Detroit Edison expected new storms to bring strong winds to its service territory today and outages were increasing in its service territory this afternoon.

| Upper Midwest Customer Power Outages<br>June 16–17, 2014 |       |                |                 |
|--|-------|----------------|-----------------|
| Electric Utility   | State | Peak           | Latest Reported |
| Alliant Energy   | IA/MN | 26,000         | 5,523           |
| MidAmerican Energy                                       | IA    | 29,000         | 1,698           |
| Commonwealth Edison                                      | IL    | 9,095          | 6,043           |
| Consumers Energy   | MI    | 4,814          | 4,814           |
| Detroit Edison   | MI    | 7,662          | 7,662           |
| Great Lakes Cooperative                                  | MI    | 10,500         | 2,516           |
| Xcel Energy  | MN    | 50,000         | 1,641           |
| Alliant Energy   | WI    | 15,000         | 3,866           |
| WE Energies  | WI    | 35,000         | 5,796           |
| Wisconsin Public Service                                 | WI    | 6,300          | 88              |
| Xcel Energy  | WI    | 18,000         | 948             |
| <b>TOTAL*</b>  |       | <b>211,371</b> | <b>40,595</b>   |

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

Sources:

<http://www.alliantenergy.com/CustomerService/StormandOutageCenter/OutageSummary/index.htm>

<https://www.facebook.com/AlliantEnergy>

<http://www.consumersenergy.com/outagemap>

[http://www.midamericanenergy.com/storm/OutageWatch\\_2013/dsk.html](http://www.midamericanenergy.com/storm/OutageWatch_2013/dsk.html)

[https://www.comed.com/\\_layouts/comedsp/OutageMap.aspx](https://www.comed.com/_layouts/comedsp/OutageMap.aspx)

<http://www.gtlakes.com/storm-central/>

<http://www.dteenergy.com/map/outage.html>

<http://www.mnpower.com/OutageCenter/OutageMap>

<https://twitter.com/AlliantEnergyWI>

<http://www.we-energies.com/outagemapext/default.html>

[https://twitter.com/we\\_energies](https://twitter.com/we_energies)<http://www.wisconsinpublicservice.com/outagesummary/view/outagegrid.aspx>

[http://www.xcelenergy.com/About\\_Us/Energy\\_News/Emergency\\_Notices/June\\_16\\_storm\\_outage\\_report](http://www.xcelenergy.com/About_Us/Energy_News/Emergency_Notices/June_16_storm_outage_report)

<https://twitter.com/XcelEnergyMN>

<https://twitter.com/XcelEnergyWI> <http://www.xcelenergy.com/portal/site/xcel/>

<http://www.xcelenergy.com/portal/site/xcel/menuitem.471846b0c2475abf262a71986b108a0c/?vgnextoid=02b6719a0b3cd210VgnVCM100000b40b98aaRCRD&vgnnextchannel=e97c6113f220f210VgnVCM100000b40b98aaRCRD&appInstanceName=xcel>

<http://www.gtlakes.com/crews-work-to-restore-power-to-5200-members/>

[https://twitter.com/we\\_energies](https://twitter.com/we_energies)

[http://qctimes.com/news/local/power-slowly-being-restored-to-thousands-after-storms/article\\_0076d11e-f604-11e3-bf7a-001a4bcf887a.html](http://qctimes.com/news/local/power-slowly-being-restored-to-thousands-after-storms/article_0076d11e-f604-11e3-bf7a-001a4bcf887a.html)  
<http://fox6now.com/2014/06/17/more-than-11000-we-energies-customers-without-power/>  
<http://www.newrichmond-news.com/content/storm-tornado-damage-reported-grandma-fined-stealing-lobsters-while-grandson-watches-10-mo-0>  
[http://wcfcourier.com/news/local/storms-cause-damage-across-iowa/article\\_ddcb6ce0-5c23-5cb9-a2c1-940d195c3cde.html](http://wcfcourier.com/news/local/storms-cause-damage-across-iowa/article_ddcb6ce0-5c23-5cb9-a2c1-940d195c3cde.html)  
[https://twitter.com/DTE\\_Energy](https://twitter.com/DTE_Energy)

### **Entergy's 813 MW FitzPatrick Nuclear Unit in New York Reduced to 50 Percent by June 17**

On the morning of June 16 the unit was operating at full power.

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

### **PG&E's 119 MW Belden Hydro Unit in California Shut by June 16**

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201406161515.html>

## ***Petroleum***

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### **Flow Cut on TransCanada's 590,000 b/d Keystone Pipeline after Nebraska Tornadoes Disrupt Power June 17**

TransCanada Corp. said it reduced the flow of oil on its Keystone pipeline on Tuesday after tornadoes struck Nebraska, causing power disruptions. Two large tornadoes passed close to TransCanada's Stanton pump station near Pilger, Nebraska, a spokesman said. Although there was no damage to the pipeline or related facilities, power outages mean Keystone's flow will be cut for an indefinite period of time. The 2,639-mile pipeline carries light and heavy Canadian crude from Hardisty, Alberta to Steele City, Nebraska. Oil market intelligence firm Genscape earlier reported that flow decreased to near 442,000 b/d from an estimated 581,000 b/d since Monday. TransCanada had expected Keystone flow to average more than 500,000 b/d in June.

Reuters, 12:25 June 17, 2014

### **Kinder Morgan Orders Additional 330,000 Barrel Jones Act-Compliant Product Tanker**

Kinder Morgan Energy Partners, L.P. on Monday announced it expanded its contract with General Dynamics NASSCO for the design and construction of an additional 50,000 deadweight ton LNG-conversion-ready product tanker with a 330,000 barrel cargo capacity. Construction is scheduled to begin in the fourth quarter of 2015 with delivery slated for the second quarter of 2017. This new tanker will be constructed as a sister tanker to the four Jones Act tankers KMP currently has under construction at the NASSCO shipyard in San Diego.

<http://phx.corporate-ir.net/phoenix.zhtml?c=93621&p=irol-newsArticle&ID=1940121&highlight>

## ***Natural Gas***

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### **Targa Reports Emergency Shutdown, Flaring at Its 150 MMcf/d Sand Hills Gas Plant in Texas June 14**

Targa reported an upset carried over liquid to the cryogenic process which caused rising differential pressures in the cryogenic unit. To protect the cryogenic equipment from damage, an emergency shutdown was initiated. This immediately routed acid gas to the emergency acid gas flare, F-4. Maintenance, operations, and instrumentation technicians were immediately called out to diagnose the problem, drain filter housings, and pump methanol into the cryogenic process to move water through the cryogenic unit. All these actions served to shorten plant down time and minimize flaring. Also, third party gas was shut out and compressors manually shut down to minimize flaring. As soon as the liquid and upset cleared, the plant started back up and flaring at the emergency acid gas flare, F-4, ceased.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=199788>

## **Enbridge Reports AGI Trip, Inlet Gas Curtailed at Its Tilden Gas Plant in Texas June 14**

Enbridge reported acid gas injector (AGI) no. 2 tripped on left bank flow LOLO shutdown. Operations curtailed white kitchen (WK) inlet gas to minimize gas flaring. Operations changed batteries in the left bank pro-flow meter controlling oil flow to compressor cylinders. WK inlet gas was restored and AGI no. 2 was restarted and stabilized. <http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=199776>

## **BP to Sign \$20 Billion LNG Supply Deal with China's CNOOC**

BP will sign a deal worth around \$20 billion on Tuesday to supply China National Offshore Oil Corporation (CNOOC) with liquefied natural gas (LNG), the chief executive said. BP will likely source much of the LNG from its U.S. export plant at Freeport, Texas, where it owns 4.4 million tonnes per year (mtpa) of export capacity, having started negotiations with CNOOC earlier this year. The deal, expected to boost China's LNG intake by at least 1.5 mtpa, or about 26 cargoes, cements China's role as a key buyer of U.S. gas, industry sources said. Reuters, 10:26 June 17, 2014

## ***Other News***

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### **Duke Energy Takes Action Based on Coal Ash Pipeline Inspection Reports at Its North Carolina Coal-fired Power Plants**

Duke Energy on Monday announced that the company completed ash basin related pipe inspections at its North Carolina coal plants and shared those results with the North Carolina Department of Environment and Natural Resources (NCDENR). The third-party inspections demonstrate that the infrastructure is safe and performing as designed, but some areas of water infiltration were identified. Based on this assessment, the company is already developing engineering plans to repair or close certain pipes and to continue monitoring the others. Following the Dan River incident in February, the company engaged outside engineering firms to conduct inspections of pipes at its active and retired coal plants. In addition, NCDENR issued three inspection letters requesting additional information on pipes where no leaks were detected at the Buck, Riverbend, and Marshall Steam Stations. <http://www.duke-energy.com/news/releases/2014061603.asp>

## ***International News***

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### **Iraq's Baiji Oil Refinery Shut, Foreign Staff Evacuated in Wake of Militant Attacks; Oilfield Security Tightened in South**

Iraq's biggest oil refinery, Baiji, was shut overnight and its foreign staff evacuated, refinery officials said on Tuesday, adding that local staff remain in place and the military is still in control of the facility, which is located in northern Iraq. Militants from al Qaeda splinter group Islamic State of Iraq and the Levant (ISIL) seized Iraq's second-biggest city of Mosul last week and other Sunni armed groups have advanced into the town of Baiji and surrounded its refinery. Baiji is one of three oil refineries in Iraq and only processes oil from the north. The other two are located in Baghdad and the south and are firmly under government control and operational. A chief engineer at the refinery said that there is sufficient gas oil, gasoline and kerosene to supply more than a month of domestic demand. Also on Tuesday, a senior Iraqi official said the government had tightened security and deployed extra troops around oil infrastructure and oilfields in the south to help protect its vital energy industry from the insurgents. <http://www.nbcnews.com/storyline/iraq-turmoil/iraqs-biggest-oil-refinery-shut-wake-militant-attacks-n132956>

Reuters, 6:23 June 17, 2014

Reuters, 13:07 June 16, 2014

### **Iraqi Kurds Link Kirkuk to Own Oil Pipeline, Plan More Exports**

Iraqi Kurdistan built a link connecting Kirkuk to its newly-built pipeline to Turkey, its minister of natural resources said, potentially cementing Kurdish control over the northern oil hub and reducing its reliance on Baghdad. The new link connects Kirkuk's Avana dome to the Khurmala dome out of which the Kurdish pipeline runs which could allow the Kurds to start exports of Kirkuk crude oil through their own network. Baghdad's military retreat from the north under an assault led by the Islamic State of Iraq and the Levant (ISIL) last week allowed the KRG's Peshmerga forces to seize control of long-disputed Kirkuk and its oil reserves. The main 600,000 b/d Kirkuk-Ceyhan pipeline, which accounted for the bulk of Iraq's northern crude oil exports, has been offline since March following insurgent attacks.

Reuters, 12:12 June 17, 2014

## Russia Cuts Gas Supply to Ukraine June 16; Ukraine Has Enough Gas Reserves to Last until December

Russia halted natural gas deliveries to Ukraine on Monday, spurning Ukraine's offer to pay some of its multibillion-dollar gas debt and demanding upfront payments for future supplies. The decision, coming amid deep tensions over eastern Ukraine, provoked strong words from both sides but does not immediately affect the crucial flow of Russian gas to Europe. Ukraine has enough reserves to last until December, according to the head of its state gas company Naftogaz. Ukraine, one of the most energy inefficient countries in Europe, has been chronically behind on payments for the Russian natural gas needed to heat its homes and fuel its industries. In addition, Russia had been giving its neighbor cut-rate sweetheart deals on gas for various political reasons, a practice that came to a halt April 1.

[http://www.downstreamtoday.com/news/article.aspx?a\\_id=43504](http://www.downstreamtoday.com/news/article.aspx?a_id=43504)

## Ukraine Says Gas Pipeline Blast May Be Terrorist Attack

Ukraine said on Tuesday it was treating an explosion on its Urengoy–Pomary–Uzhgorod pipeline carrying Russian natural gas to the rest of Europe as a possible “act of terrorism.” The government, which is facing a rebellion by pro-Russian separatists in east Ukraine, said the blast in central Ukraine – one day after Russia cut gas supplies to Kiev in a pricing dispute – did not disrupt gas flows to the European Union. The Energy Ministry also suggested there may have been foul play, without speculating who might have been behind the blast. Ukrainian state-run gas transport monopoly Ukrtransgaz said there was no disruption the gas flow and a source at Russian gas producer Gazprom said exports have not been cut and there is a parallel pipeline. The emergency services said the blast was caused by the pipeline becoming depressurized, though it did not say what caused it to become depressurized.

Reuters, 11:18 June 17, 2014

## Energy Prices

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| U.S. Oil and Gas Prices  |        |          |          |
|--|--------|----------|----------|
| June 17, 2014  |        |          |          |
|  | Today  | Week Ago | Year Ago |
| <b>CRUDE OIL</b><br><b>West Texas Intermediate U.S.</b><br>\$/Barrel | 107.49 | 105.02   | 97.82    |
| <b>NATURAL GAS</b><br><b>Henry Hub</b><br>\$/Million Btu             | 4.70   | 4.66     | 3.76     |

Source: Reuters

## Links

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*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](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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