



ENERGY ASSURANCE DAILY

Monday Evening, June 29, 2015

Electricity

Strong Winds, Storms Knock Out Power to 190,000 Customers in Michigan, Indiana June 27

Strong winds and heavy rain knocked out power to 158,000 DTE customers in Michigan and 32,000 Indiana Michigan Power customers on Saturday. Wind gusts of up to 66 mph caused more than 1,000 downed power lines. As of 3:30 p.m. EDT Monday, 18,178 DTE and 5,393 Indiana Michigan Power customers remained without power. DTE and Indiana Michigan Power both said most customers will have their power restored by Monday night but some will be without service until Tuesday.

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

<https://www.facebook.com/dteenergy?sk=wall>

<https://www.indianamichiganpower.com/outages/details.aspx?stormName=Wind+Storm+June+27>

https://twitter.com/IN_MI_Power

<https://www.indianamichiganpower.com/outages/outageMap.aspx>

Power Restored to Nearly all 40,000 FirstEnergy Customers in Ohio June 29

Approximately 40,000 FirstEnergy customers were without power as of 1 p.m. EDT Monday and officials were investigating the cause. As of 3:30 p.m. EDT, 187 customers remained without power.

<http://outages.firstenergycorp.com/oh.html>

http://www.cleveland.com/mentor/index.ssf/2015/06/more_than_35000_power_in_lake.html

Update: Heavy Rains, Wind Hamper Restoration for Atlantic City Electric Customers, Causes 16,000 Additional Outages June 27

Heavy rains and high winds on Saturday hampered Atlantic City Electric crews trying to complete restoration after massive damage from a severe storm on Tuesday that knocked out power to 280,000 customers. Final restoration was expected by the end of the day Sunday, but complications caused by the extent of the underlying damage plus inclement weather through Saturday night pushed restoration to a portion of customers into Monday. On Saturday, Atlantic City Electric requested 155 more personnel to bolster those already working on the system. Saturday's inclement weather caused about 16,000 new outages, some of which may have affected customers that already had power restored from Tuesday's severe storm. The ground is saturated, and tree root systems may be unstable; this has made trees vulnerable and more likely to fall, causing new outages. Tuesday's severe storm created straight-line winds in excess of 70 mph throughout many parts of the Atlantic City Electric service territory. In Gloucester County, where some of the worst damage occurred, a macroburst of approximately 85 mph lasted between five and 20 minutes. The National Weather Service said strong macrobursts can cause tornado-force damage. This one brought down trees and power lines, which caused significant damage to Atlantic City Electric's electric system infrastructure. Crews are finding countless utility poles and wires down across the system.

<http://www.atlanticcityelectric.com/library/templates/interior.aspx?pageid=1105&id=6442457616>

Dynegy's 335 MW El Segundo Gas-fired Unit 4 in California Returns to Service by June 28

The unit returned from an unplanned outage that began by June 26.

<http://content.aiso.com/unitstatus/data/unitstatus201506281515.html>

AES's 336 MW Alamosa Gas-fired Unit 4 in California Shut by June 28

The unit entered an unplanned outage.

<http://content.aiso.com/unitstatus/data/unitstatus201506281515.html>

Windstar Energy's 120 MW Wind Unit in California Shut by June 27

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201506271515.html>

Cabrillo Power's 110 MW Encina Gas-fired Unit 3 in California Shut by June 26

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201506261515.html>

Petroleum

ExxonMobil Reports Pinhole Leak in Piping at Its 502,500 b/d Baton Rouge, Louisiana Refinery June 29

Reuters, 12:01 June 29, 2015

Motiva Reports Hydrogen Sulfide Release Due to Equipment Upset at Its Norco, Louisiana Facility June 26

Motiva Enterprises reported a release of hydrogen sulfide from a pipe at the facility due to an equipment upset on June 26. Motiva Enterprises houses a 238,000 b/d refinery and a chemical plant at its Norco facility.

Reuters, 11:58 June 29, 2015

Flint Hills Reports Flaring at Its 293,000 b/d Corpus Christi, Texas Refinery June 27

Reuters, 11:58 June 29, 2015

ExxonMobil Reports Flaring at Its 149,500 b/d Torrance, California Refinery June 27

ExxonMobil Corp reported flaring at its refinery in Torrance, California on Saturday, according to a filing with state pollution regulators. The refinery continued to operate, according to a filing with the California Emergency Management Agency.

Reuters, 22:57 June 28, 2015

Imperial Oil, ExxonMobil, BP Defer Drilling in Canada's Arctic

Imperial Oil Ltd said on Friday it and partners ExxonMobil Corp and BP Plc need more time before they can drill an exploratory well in Canadian Arctic waters and are seeking an extension to their exploration license in the region. A spokesman for Imperial said the license for the group's exploration parcel in the Beaufort Sea, a section of the Arctic Ocean, expires in 2020. The group is asking the Canadian government for a seven-year extension so it can complete the requirements of the regulatory process and have adequate time to make a decision on how, or when, it will drill a well in the region. The region, including the Mackenzie River Delta, could hold more than 1.36 billion barrels of oil, according to estimates by Canada's National Energy Board.

Reuters, 17:21 June 26, 2015

NGL Energy Partners, Meritage Midstream Form Joint Venture to Develop Crude Oil Gathering and Water Services in Powder River Basin in Wyoming

NGL Energy Partners LP and Meritage Midstream Services II, LLC announced today that the companies were forming a joint venture to develop crude oil gathering and water services infrastructure to serve oil and gas producers in Wyoming's Powder River Basin. The joint venture will focus on crude oil and wastewater gathering pipelines, pipeline injection terminals, wastewater and solid waste disposal facilities, and fresh water supply. The joint venture plans to have access to and operate on Meritage's dedicated acreage in the Powder River Basin.

<http://www.meritagemidstream.com/news/ngl-energy-partners-and-meritage-midstream-form-joint-venture-develop-crude-oil-gathering-and>

Husky Energy Begins Oil Production at 15,000 b/d South White Rose Extension Offshore Newfoundland and Labrador

Husky Energy started production from the South White Rose project in the Jeanne d'Arc Basin offshore Newfoundland and Labrador. The first well has been brought online and the second well is scheduled to start up in late summer. Net peak production from the South White Rose extension is expected to ramp up to about 15,000 b/d following the startup of the second well.

http://www.huskyenergy.com/news/release.asp?release_id=1966823

Magellan Midstream, LBC Tank Terminals to Build Terminal and Pipeline Infrastructure on Houston, Texas Gulf Coast

Magellan Midstream Partners, L.P. and LBC Tank Terminals, LLC announced today that they have formed a 50/50 limited liability company Seabrook Logistics, LLC, to own and operate crude oil storage and pipeline infrastructure in the Houston Gulf Coast area. The assets to be constructed and owned by the JV include over 700,000 barrels of new crude oil storage and other distribution infrastructure located adjacent to LBC's existing terminal in Seabrook, Texas. In addition, the JV will construct and own a new 18-inch diameter pipeline, which will connect the new storage to an existing third party pipeline that will transport crude oil to a Houston-area refinery. An agreement has also been executed to allow the JV to utilize LBC's dock suitable for industry standard Aframax vessels with up to a 45-foot draft and two barge docks, which will provide efficient marine access with flexible loading and unloading services at the Seabrook facility. Subject to the receipt of permits and regulatory approvals, the new storage facility and pipeline infrastructure are expected to be operational in the first quarter of 2017.

<http://www.magellanlp.com/magellannews/lbc.aspx?id=2147484071>

U.S. Crude-by-Rail Movements Fall Nearly 12 Percent in First Quarter 2015

The Association of American Railroads (AAR) said crude movements via rail decreased to 897,172 b/d in the first quarter of 2015, which is down 11.8 percent from more than 1 million b/d in the fourth quarter last year. Fourth-quarter movements slipped about 9,200 b/d from the third quarter of 2014, but the average for the year was 964,635 b/d, up 20 percent from 797,434 b/d in 2013, AAR said. Oil moved via rail in the first quarter was 9.6 percent of average U.S. March production of 9.3 million b/d.

Reuters, 17:09 June 26, 2015

Final Decision on Tesoro's 360,000 b/d Railport in Washington Pushed to 2016

The latest delay in a detailed government review of Tesoro Corp's proposed \$210 million railport project in Washington state means a final decision will not happen until 2016, according to the state's Energy Facility Site Evaluation Council (EFSEC) schedule. The 360,000 b/d project would be the biggest in the U.S., moving domestic and Canadian crude via rail to Washington's Port of Vancouver, where it would be loaded onto vessels to supply West Coast refineries – mainly in California. The company had hoped to start it up by late 2014, and then pushed it to this year as the project undergoes a lengthy state review. Tesoro said the company was disappointed in the delay and remains committed to the project. EFSEC's schedule says a draft environmental impact statement will be published in late November.

Reuters, 16:55 June 26, 2015

Natural Gas

DCP Midstream Reports Field Engine Shut at Its 160 MMcf/d Goldsmith Gas Plant in Texas June 26

DCP Midstream reported high 50 pound pressure due to field engine no. 8 being down. The engine was restarted by the field operator.

<http://www11.tceq.state.tx.us/oce/eeer/index.cfm?fuseaction=main.getDetails&target=216447>

Southern Union Reports SRU, Compressor Shut Due to Power Dip at Its 140 MMcf/d Keystone Gas Plant in Texas June 29

Reuters, 11:50 June 29, 2015

ExxonMobil Reports Unit Shut at Its 65 MMcf/d Dollarhide Gas Plant in Texas June 26

ExxonMobil reported unit P-12 was shut due to a leaking recycle line. All available flowing wells were shut in to reduce and mitigate emissions.

<http://www11.tceq.state.tx.us/oce/eeer/index.cfm?fuseaction=main.getDetails&target=216412>

DCP Midstream Partners Begins Operations at Its 200 MMcf/d Lucerne 2 Natural Gas Plant in Colorado June 29

DCP Midstream Partners, LP (DPM) on Monday announced its new 200 MMcf/d Lucerne 2 natural gas processing plant is now in service. The Lucerne 2 plant connects to the Front Range Pipeline for natural gas liquids (NGL) takeaway to Mont Belvieu, Texas.

Reuters, 8:30 June 29, 2015

Natural Gas Rig Count Increases to 288 June 26 – Baker Hughes

The number of rigs drilling for natural gas in the U.S. rose last week by 5 to 228, data from Baker Hughes showed on Friday. Oil rigs fell by 3 to 628.
Reuters, 13:02 June 26, 2015

Other News

Nothing to report.

International News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices			
June 29, 2015			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	58.41	59.57	105.80
NATURAL GAS Henry Hub \$/Million Btu	2.77	2.86	4.55

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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