



ENERGY ASSURANCE DAILY

Wednesday Evening, July 23, 2014

Electricity

Update: Over 4,800 Customers Remain without Power in Minnesota July 23 after July 21 Thunderstorms

Thunderstorms with winds of up to 70 mph moved across Minnesota Monday night knocking out power to 26,500 customers. As of 3:30 p.m. EDT today, 4,585 Lake Country Power customers and 290 Minnesota Power customers remained without power. Crow Wing Power said as of 3:00 a.m. local time today, all 4,400 customers had power restored.

<https://twitter.com/LakeCountryPowe>

<http://www.lakecountrypower.coop/displaynewsreleaseall.php?id=402>

<https://twitter.com/mnpower>

<https://www.facebook.com/pages/Crow-Wing-Power/250728911428?ref=hl>

<http://www.wdio.com/article/stories/s3510557.shtml>

Update: ARCO's 417 MW Watson Natural Gas-fired Unit in California Returns to Service by July 22

The unit returned from an unplanned curtailment of 236 MW that began by July 21.

<http://content.caiso.com/unitstatus/data/unitstatus201407221515.html>

Petroleum

U.S. DOT Announces Comprehensive Proposed Rulemaking for the Safe Transportation of Crude Oil, Flammable Materials

The U.S. Department of Transportation (DOT) today released the details of its comprehensive rulemaking proposal to improve the safe transportation of large quantities of flammable materials by rail - particularly crude oil and ethanol - in the form of a Notice of Proposed Rulemaking (NPRM) and a companion Advanced Notice of Proposed Rulemaking (ANPRM). The NPRM proposes enhanced tank car standards, a classification and testing program for mined gases and liquids and new operational requirements for high-hazard flammable trains (HHFT) that include braking controls and speed restrictions. Specifically, within two years, it proposes the phase out of the use of older DOT 111 tank cars for the shipment of packing group I flammable liquids, including most Bakken crude oil, unless the tank cars are retrofitted to comply with new tank car design standards. The ANPRM seeks further information on expanding comprehensive oil spill response planning requirements for shipments of flammable materials. Both the NPRM and ANPRM are available for review on www.regulations.gov and will now be open for 60 days of public comment. Given the urgency of the safety issues addressed in these proposals, PHMSA does not intend to extend the comment period.

<http://www.dot.gov/briefing-room/us-dot-announces-comprehensive-proposed-rulemaking-safe-transportation-crude-oil>

Western Refining Says Small Fire in VDU Put Out at Its 122,000 b/d El Paso, Texas Refinery July 23

A small fire in the vacuum distillation unit (VDU) at Western Refining's El Paso, Texas refinery was extinguished on Wednesday morning and the company is assessing the situation, a spokesman said. The company said no one was injured and it is investigating the cause of the fire.

Reuters, 13:25 July 23, 2014

ExxonMobil Reports Feed Cut to CLE Unit at Its 560,500 b/d Baytown, Texas Refinery July 21

ExxonMobil Corp reported that feed was cut to a catalytic light ends (CLE) unit because of a compressor trip at its refinery in Baytown, Texas, according to a filing with a pollution regulator. There was minimal impact to production, according to the filing with the Texas Commission on Environmental Quality. The incident began late on Monday afternoon and ended early on Tuesday morning, the filing said. The company said on Tuesday afternoon that there was no impact to production.

Reuters, 16:24 July 22, 2014

TransCanada Receives Regulatory Approval for 56-Mile Northern Courier Pipeline Project

TransCanada Corporation today announced that the Alberta Energy Regulator approved TransCanada's application to construct and operate the Northern Courier Pipeline Project. The approximately 56-mile pipeline system will transport bitumen and diluent products between the Fort Hills mine and bitumen extraction facility and Suncor's East Tank Farm, located north of Fort McMurray, Alberta. Northern Courier will consist of a 24-inch diameter insulated steel pipeline to transport bitumen, and a 12-inch diameter steel pipeline to transport diluent. The company said it expects construction on Northern Courier to begin in the third quarter of 2014, with it being ready for service by 2017.

<http://www.transcanada.com/news-releases-article.html?id=1861554>

Enbridge May Build 140,000 b/d Crude Oil Unit Train Unloading Terminal in Illinois to Ease Pipeline Congestion

Enbridge Inc. may build a 140,000 b/d unit train unloading terminal in Pontiac, Illinois, to relieve congestion on its crude oil export network. The terminal would be able to handle two unit trains a day and could be in service by the first quarter of 2016, according to a filing with the Federal Energy Regulatory Commission. Pontiac is the origin of Enbridge's new 600,000 b/d Flanagan South pipeline to Cushing, Oklahoma, and the rail terminal would allow shippers to bypass congestion on pipelines in the Canadian portion of Enbridge's export network.

http://www.energyglobal.com/news/drilling-and-production/articles/Enbridge-considers-train-terminal-to-ease-pipeline-congestion.aspx#.U8_Ig_lUSk

Natural Gas

New Jersey Natural Gas Receives Approval for NJ RISE Infrastructure Program

New Jersey Natural Gas (NJNG) received approval today from the New Jersey Board of Public Utilities (BPU) for its New Jersey Reinvestment in System Enhancements (NJ RISE) program. Through NJ RISE, NJNG will invest in six capital projects designed to enhance the resiliency of its natural gas distribution and transmission systems and help mitigate the impact of major weather events in the future. Due to the extensive damage caused by Superstorm Sandy, NJNG was forced to curtail service from Bay Head to Seaside Park and Long Beach Island in Ocean County, as well as isolated areas of coastal Monmouth County. NJNG re-pressurized or replaced 270 miles of main, installed one mile of 12-inch main, addressed 3,600 anomalies, rebuilt or replaced 51,000 meters, completed 121,000 service assessments and restored service to every customer who was safely able to accept it less than eight weeks after the storm. Comprised of six system enhancement projects, NJ RISE is designed to help mitigate the impacts to NJNG's system and customers from future extreme weather events. The projects include: the installation of 1.5 miles of distribution main in Sea Bright as a secondary feed; the moving of a regulator station off the barrier islands and installation of a new high-pressure feed to Mantoloking; the installation of a secondary feed from Toms River to the South Seaside Peninsula; the installation of six miles of distribution main as a secondary feed to Long Beach Island; the installation of a supplemental regulator station on Long Beach Island and the installation of approximately 35,000 excess flow valves, which restricts the flow of natural gas when there is a change in pressure on the service line, in potential storm-affected areas. These upgrades will help minimize the number and duration of outages, improve NJNG's ability to respond to and control service disruptions and enhance the safety and reliability of its system.

<http://www.njresources.com/news/releases/2014/njng/14-41-NJRISEApproved..asp>

Update: MarkWest Completes Two Large Scale Facilities in the Northeast, Resumes Operations of 200 MMcf/d Houston III Plant in Pennsylvania

MarkWest Energy Partners, L.P. on Tuesday announced it resumed operations of Plant III at the Houston processing and fractionation complex in Washington County, Pennsylvania. The Houston complex consists of three processing plants totaling 355 MMcf/d and 98,000 b/d of ethane and heavier fractionation capacity. Plant III is a 200 MMcf/d cryogenic facility that has been offline since May 28 after the facility's heat exchanger was damaged. In the Utica Shale, MarkWest Utica EMG, L.L.C., a joint venture between MarkWest and The Energy and Minerals Group (EMG), is in startup mode for its third cryogenic processing plant at the Seneca complex in Noble County, Ohio. The 200 MMcf/d Seneca III plant will increase total processing capacity at the complex to 600 MMcf/d. The Seneca complex is supported by long-term, fee-based contracts with Antero Resources Corporation, Gulfport Energy Corporation, Rex Energy Corporation, PDC Energy Inc., and other producers. MarkWest Utica EMG continues to expand capacity at the Seneca complex and will complete a fourth 200 MMcf/d plant in the second quarter of 2015.

<http://investor.markwest.com/phoenix.zhtml?c=135034&p=irol-newsArticle&ID=1950014>

Other News

Red River Supply Reports Fire Extinguished at Its Facility in North Dakota July 21

A large fire was extinguished at Red River Supply's facility that housed flammable chemicals in Williston, North Dakota, according to the town's fire department. State records show several flammable chemicals were on the oilfield services company's property. The Williston Fire Chief said officials couldn't identify which specific chemicals had burned at the site. The North Dakota Department of Health and other agencies were monitoring air quality near the site for any potential threat, according to the agency spokesman. Williston's Mayor said a hazmat unit that monitored air quality Tuesday morning found nothing of concern. A large plume of smoke rose above Williston on Tuesday prompting the Federal Aviation Administration to issue a six-hour temporary flight restriction that lasted until 2 p.m. for Williston's Sloulin Field International Airport, according to the airport manager.

Reuters, 3:45 July 23, 2014

International News

Yemen's Oil Pipeline Bombed by Suspected al-Qaida Attackers

A group of suspected al-Qaida militants bombed a major oil pipeline in Yemen's southeastern province of Shabwa on Wednesday morning, security sources said. Meanwhile in northeastern province of Marib, armed clashes between Yemeni tribesmen and army troops near an oil company left five soldiers and two tribal fighters dead, another local official said on condition of anonymity. The province of Marib has seen several armed attacks on oil and gas pipelines by armed tribesmen and suspected al-Qaida gunmen.

Reuters, 10:16 July 23, 2014

Energy Prices

U.S. Oil and Gas Prices			
July 23, 2014			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	103.78	100.86	107.15
\$/Barrel			
NATURAL GAS			
Henry Hub	3.79	4.11	3.68
\$/Million Btu			

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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