



ENERGY ASSURANCE DAILY

Tuesday Evening, July 29, 2014

Electricity

Update: 30,000 DTE Customers in Michigan Remain without Power July 29 after July 27 Storms

Strong storms producing lightning and wind gusts up to 70 mph hit southeast Michigan Sunday afternoon, knocking out power to over 186,000 DTE customers and 37,000 Consumers Energy customers. As of 4:00 p.m. EDT today, approximately 30,000 DTE customers remained without power while Consumers Energy had mostly restored power to all customers. DTE Energy crews are working 16-hour shifts around the clock to restore service; more than 400 linemen from Ohio, Indiana and Wisconsin are assisting the restoration effort. DTE said the vast majority of its customers are expected to have their power restored by late Wednesday night.

<http://detroit.cbslocal.com/2014/07/29/thousands-remain-without-power-days-after-severe-storms/>

<https://www2.dteenergy.com/wps/portal/dte/residential/problemsSafety/details/outage%20center>

<http://www.clickondetroit.com/weather/dte-energy-30000-customers-remain-without-power/27211862>

Power Fully Restored to Over 33,000 Customers in Metro Phoenix, Arizona July 28 after Monsoon Storm July 26

Utility crews in Arizona restored service to more than 33,000 people across Phoenix after a severe monsoon storm on Saturday knocked down trees and utility poles. At the height of the storm, Arizona Public Service reported 23,000 customers without power and Salt River Project said nearly 10,000 customers lost power.

<http://ktar.com/22/1753712/Monsoon-storm-leaves-areas-of-metro-Phoenix-without-power>

<https://twitter.com/@apsfyi>

<https://myaccount.srpnet.com/MyAccount/Outages/public>

Update: Duke Energy's 1,129 MW Catawba Nuclear Unit 2 in South Carolina at Full Power by July 29

On the morning of July 28 the unit was operating at 45 percent, down from full power on July 24.

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

Update: SCE&G's 966 MW Summer Nuclear Unit in South Carolina at Full Power by July 29

On the morning of July 28 the unit was operating at 51 percent after restarting and ramping up to 2 percent by July 27. The unit was shut July 14.

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

Dynegy, LLC's Moss Landing Gas-fired 510 MW Unit 2 and 754 MW Unit 6 in California Shut by July 28

The units entered an unplanned outage.

<http://content.aiso.com/unitstatus/data/unitstatus201407281515.html>

Fire in Isomerization Unit Shuts CVR's 115,700 b/d Coffeyville, Kansas Refinery July 29

CVR Refining confirms that at approximately 12:30 a.m. local time on July 29, a fire was reported at the Coffeyville refinery's isomerization unit. The fire was extinguished at approximately 1:18 a.m. and a shutdown of the refinery was conducted. Four employees were injured but initial reports indicate there was no impact to the surrounding community.

<http://www.cvrrefining.com/NewsRoom/PDF/2014-07-29%20CVR%20Refining%20Statement%20on%20Coffeyville%20Refinery%20Incident--F.pdf>

Update: FCCU at ExxonMobil's 344,600 b/d Beaumont, Texas Refinery to be Shut 1–3 Weeks for Repairs - Sources

The 120,000 b/d fluidic catalytic cracking unit (FCCU) at ExxonMobil's Beaumont, Texas refinery was expected to be shut between one and three weeks for repairs following a weekend malfunction, sources familiar with refinery operations said on Monday. Earlier on Monday, the company said the upset at the Beaumont refinery would have a minimal impact on production at the Beaumont refinery and would not affect Exxon's ability to meet its contractual commitments. A series of electrical malfunctions took the FCCU's carbon monoxide (CO) boiler out of operation and forced the shutdown of the FCCU over the weekend, the sources said. The CO boiler uses carbon monoxide captured from the FCC's emissions to produce steam used in the refining process.

Reuters, 17:18 July 28, 2014

Update: Alon Reports Operations Normal at Its 67,000 b/d Big Spring, Texas Refinery July 26

Alon USA Energy Inc on Saturday reported restarting an electrostatic precipitator at its Big Spring, Texas, refinery, according to a filing with state pollution regulators. The precipitator was shut down, leading to flaring from a fluid catalytic cracking unit CO boiler, the filing said.

Reuters, 23:31 July 27, 2014

Valero Reports Malfunction at Its 85,000 b/d Ardmore, Oklahoma Refinery July 21

Valero Energy Corp reported a malfunction and nitrogen oxides emissions from a crude tower heater on July 21, according to a filing with the Oklahoma Department of Environmental Quality.

Reuters, 12:39 July 28, 2014

Phillips 66 Reports Equipment Failure at Its 336,000 b/d Wood River, Illinois Refinery July 25

Phillips 66 reported an unspecified equipment failure on Friday at its Wood River refinery in Illinois, according to a filing with state pollution regulators. The filing did not mention if the event hurt regular refinery operations or affected production.

Reuters, 23:02 July 27, 2014

Buckeye Reports West Shore Line Segment in Wisconsin Shut July 28

Buckeye Partners says the West Shore line segment between Granville and Green Bay, Wisconsin, was shut due to the investigation of a field observation report on the segment. Buckeye said West Shore will continue to deliver to terminals in Busse, Mitchell Field, and Granville.

Reuters, 17:48 July 28, 2014

ExxonMobil Shuts Its THUMS M-131 Crude Oil Pipeline in California after Small Leak July 28

ExxonMobil said on Monday it shut its THUMS M-131 crude oil pipeline from Long Beach to Torrance in California, after a small leak was found near the pipeline at an industrial area of Long Beach. The company said it was working to clean up the oil, adding that the pipeline would remain shut while it investigates the source of the leak.

Reuters, 15:54 July 28, 2014

Enbridge's Lakehead System Crude Oil Pipelines Exposed along Tamarac River in Minnesota

Flooding and erosion have exposed three of the seven Enbridge Corporation pipelines cross the Tamarac River in northwestern Minnesota. Floodwater has eroded soil that once buried the pipelines several feet below ground. The pipelines make up Enbridge's 2.5 million b/d Lakehead System, which runs in Neche, North Dakota, on the Canadian border to Chicago, Illinois. The three exposed lines include a 24-inch and a 34-inch pipeline constructed in the 1960s, as well as a 20-inch pipeline laid in 2010. A spokeswoman for Enbridge said the lines run through Minnesota to Superior, Wisconsin. The chief engineer for the Minnesota Office of Pipeline Safety said the exposure could damage the pipelines, but there isn't a law in place that requires Enbridge to rebury them. His office enforces federal rules for pipelines in the state, including a law that requires companies to check exposed pipes for corrosion every three years. Enbridge determined the lines were safe through frequent risk assessments and there were no plans to rebury the pipelines.

Reuters, 15:54 July 28, 2014

<http://www.enbridge.com/DeliveringEnergy/OurPipelines/LiquidsPipelines.aspx>

Corpus Christi, Texas Crude Oil Shipments Hit Record 560,000 b/d in June

Crude oil shipments out of the Texas Port of Corpus Christi hit a record high 560,000 b/d in June port data showed on Monday, although outbound cargoes of condensate dipped. Eagle Ford's shale fields have yielded abundant amounts of crude oil largely destined for refineries along the Gulf and East coasts, with some barrels going to Canadian refineries. Crude oil loadings averaged 340,000 b/d in 2013 and never topped 400,000 b/d in any given month. In 2014, they have averaged 451,000 b/d, climbing by about 100,000 b/d every two months, from 359,000 b/d in January to 437,000 b/d in March. In June, more than 63,000 b/d of condensate left Corpus Christi, down 9.5 percent from May's 70,000 b/d but higher than the June 2013 figure of 21,000 b/d.

http://www.rigzone.com/news/oil_gas/a/134259/Corpus_Christi_Crude_Oil_Shipments_Hit_Record_560000_bopd_in_June#sthash.D3ZsI9pA.dpuf

Commerce Department Puts Condensate Oil Export Requests on Hold

The U.S. Commerce Department has put on hold at least three companies' requests for permission to sell lightly processed crude abroad, stalling an industry push to export an abundance of oil amid the U.S. shale boom, sources said. Two companies seeking clarification on exporting ultra-light oil, known as condensate, have been told their requests were being "held without action," a person familiar with the matter said last week, describing an indefinite pause in the review process that allows officials to seek additional information on a decision. This may also give the agency more time to put together some form of comprehensive public guidance about what kind of oil can or cannot be exported, answering industry's growing cry for clarity. It is unclear when such a document may be finalized, but several sources believed it could occur within weeks. A third company's request that had been submitted within the last few weeks was also placed on hold within the Commerce Department's Bureau of Industry and Security's (BIS) tracking system, according to a second person familiar with the request. That request related to processing any form of crude for export. U.S. crude oil exports have been essentially banned by law since the Arab oil embargo of the 1970s, unless they are sold to Canada or have somehow been processed.

Reuters, 10:16 July 29, 2014

Natural Gas

Regency Reports AGI Shut at Its 290 MMcf/d Waha Gas Plant in Texas July 28

Regency reported the acid gas injector (AGI) shut on high fifth stage differential pressure/temperature caused by ambient temperatures. Issues with the glycol skid may also have been a contributing factor. Once the temperature/pressure was within operating parameters the compressor was restarted.

<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=201561>

DCP Midstream Reports Mechanical Failure at Its 160 MMcf/d Goldsmith Gas Plant in Texas July 28

DCP Midstream reported engine no. 22 went down due to mechanical failure. A mechanic was called to make repairs and a supervisor was notified to cut the gas.

<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=201560>

Other News

Nothing to report.

International News

U.S. to Seize One Million Barrels of Iraqi Kurdish Oil in Tanker off Texas

U.S. authorities were set on Tuesday to seize some 1 million barrels of Iraqi Kurdish crude oil worth more than \$100 million from the tanker, United Kalavrta, anchored off Galveston Bay, Texas, after a judge approved a request from Baghdad. The tanker arrived near Galveston Bay on Saturday, but had yet to unload its disputed cargo. The U.S. judge's overnight approval of the request from Baghdad on Monday deals another blow to the Kurdistan Regional Government's attempts to establish its own oil sales, which are seen as a crucial step in the autonomous region's push for independence.

Reuters, 11:55 July 29, 2014

Libyan Oilfields Secure, Production Around 500,000 b/d – Oil Ministry Official

Libya was pumping crude oil at around 500,000 b/d and all oilfields were secure despite ongoing violence, the director of planning at the Libyan Oil Ministry said.

Reuters, 12:27 July 29, 2014

Energy Prices

| U.S. Oil and Gas Prices | | | |
|-------------------------------------|--------|----------|----------|
| July 29, 2014 | | | |
| | Today | Week Ago | Year Ago |
| CRUDE OIL | | | |
| West Texas Intermediate U.S. | 104.62 | 105.24 | 104.70 |
| \$/Barrel | | | |
| NATURAL GAS | | | |
| Henry Hub | 3.82 | 3.84 | 3.59 |
| \$/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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