



# ENERGY ASSURANCE DAILY

Monday Evening, August 31, 2015

## Major Development

### Strong Storm, High Winds Knock Out Power to Nearly 1 Million Customers in Oregon, Washington, British Columbia August 29

A strong storm with winds up to 70 mph knocked out power to 984,000 customers in Oregon, Washington, and British Columbia on Saturday. As of 3:30 p.m. EDT Monday, 100,728 customers remained without power. BC Hydro, the hardest hit utility with 500,000 outages in British Columbia, said in addition to broken structures and damaged wires, 25 transmission circuits were damaged with each affecting thousands of customers. The bulk of the power outages occurred in the greater Vancouver area and BC Hydro said many of its customers should have power restored tonight. PSE, which reported 224,000 customers without power in Washington, expects nearly full restoration by Tuesday morning. Snohomish PUD, which reported 175,000 customers without power in Washington, said its remaining outages were very challenging, time intensive jobs that will cause outage restoration to extend into early this week.

Oregon, Washington, British Columbia Customer Power Outages			
August 29–31, 2015			
Electric Utility	State	Peak	Latest Reported
Portland General Electric	OR	7,000	346
Puget Sound Energy (PSE)	WA	224,000	28,357
Snohomish County PUD	WA	175,000	23,500
Seattle City Light	WA	58,000	2,159
Tacoma Public Utilities	WA	20,000	33
BC Hydro	British Columbia	500,000	46,333
<b>TOTAL*</b>		<b>984,000</b>	<b>100,728</b>

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

Sources:

[https://www.portlandgeneral.com/safety\\_outages/outages/outage\\_updates/outage\\_list.aspx](https://www.portlandgeneral.com/safety_outages/outages/outage_updates/outage_list.aspx)

[https://twitter.com/portlandgeneral?ref\\_src=twsrc%5Egoogle%7Ctwcamp%5Eserp%7Ctwgr%5Eauthor](https://twitter.com/portlandgeneral?ref_src=twsrc%5Egoogle%7Ctwcamp%5Eserp%7Ctwgr%5Eauthor)

<https://pse.com/accountsandservices/ServiceAlert/Pages/Outage-Map.aspx?WT.ac=Flyout-OutageMap>

<https://twitter.com/PSETalk>

<https://www.snopud.com/newsroom/StormUpdates.ashx?p=1180>

<https://twitter.com/snopud>

<http://www.seattle.gov/light/sysstat/>

<https://twitter.com/SEACityLight>

<https://twitter.com/mytpu>

<http://www.mytpu.org/tacomapower/outage-safety/>

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

<https://www.bchydro.com/outages/orsTableView.jsp>

<https://twitter.com/bchydro>

<http://www.kboi2.com/news/local/1-dead-over-200000-without-power-as-windstorm-slams-Northwest-Seattle-323328651.html>

<http://www.nbcnews.com/news/weather/seattle-area-windstorm-leaves-2-dead-thousands-without-power-n418481>

### **Tropical Storm Erika Knocks Out Power to Over 200,000 PREPA Customers in Puerto Rico August 28**

Tropical Storm Erika hit Puerto Rico on Friday knocking out power to over 200,000 Puerto Rico Electric Power Authority (PREPA) customers. The storm caused landslides and more than \$16 million in damage to crops including plantains, bananas, and coffee. A storm warning was issued and the National Guard was activated by Puerto Rico's governor. As of Monday, 1,288 PREPA customers remained without power.

<http://www.aeepr.com/new/Noticias/noticiasread.asp?r=ZUUAIGBLKY>

<http://www.timescolonist.com/death-toll-rising-in-dominica-as-tropical-storm-erika-crosses-over-dominican-republic-1.2043538>

<http://www.inquisitr.com/2372994/tropical-storm-erika-picks-up-speed-and-acquires-a-larger-death-count/>

### **Monsoon Knocks Out Power to Over 13,000 SRP Customers in Arizona August 29**

A monsoon producing rain, dust, high winds, and lightning knocked out power to over 13,000 Salt River Project (SRP) customers in Arizona on Saturday evening. Wind gusts of around 50 mph toppled trees and power lines. The majority of customers had power restored by Sunday morning.

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

<https://twitter.com/SRPconnect>

<http://www.kpho.com/story/29915590/monsoon-clobbers-east-valley-with-trees-down-power-out>

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

On the morning of August 28 the unit was operating at 20 percent, reduced from full power on August 27.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2015/>

### **RRI Energy's 215 MW Mandalay Gas-fired Unit 1 in California Shut by August 28**

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201508281515.html>

### **AES's 179 MW Redondo Gas-fired Unit 5 in California Shut by August 28**

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201508281515.html>

## *Petroleum*

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### **AER Issues Suspension Order to Nexen Energy in Alberta August 28**

The Alberta Energy Regulator (AER) issued a Suspension Order to Nexen Energy ULC, due to noncompliant activities at its Long Lake oil sands operations pertaining to pipeline maintenance and monitoring. The order directs the company to immediately suspend 15 pipeline licenses, which requires the shut-in of 95 pipelines that are carrying natural gas, crude oil, salt water, fresh water, and emulsion, and provide sufficient documentation to assure the AER that these lines can be operated safely. On August 25, through the course of the AER investigation into Nexen's Long Lake pipeline failure the AER received information that indicated noncompliance with respect to the Pipelines Act and Pipeline Rules on multiple pipelines at the Long Lake Facility. The AER said the investigation into Nexen's Long Lake pipeline incident was ongoing and once the investigation is complete, the AER will publish its findings.

<https://www.aer.ca/about-aer/media-centre/news-releases/news-release-2015-08-28>

### **Update: FCCU Production Cut Back at Valero's 180,000 b/d Memphis, Tennessee Refinery August 28 – Sources**

Production on the 65,000 b/d fluid catalytic cracking unit (FCCU) was cut back at least temporarily at Valero Energy Corp's Memphis, Tennessee, refinery on Friday, according to sources familiar with plant operations. Energy industry intelligence service Genscape said Valero restarted the Memphis refinery's hydrogen plant on Friday. The hydrogen plant was shut due to the temporary shutdown of a boiler and loss of industrial gas supply. The unit's main blower was tripped out of production and being returned to normal operation, the sources said.

Reuters, 6:13 August 28, 2015

## **USW Workers Reject Contract Offer at Phillips 66's 247,000 b/d Alliance, Louisiana Refinery August 27**

Union workers at Phillips 66's Alliance, Louisiana, refinery rejected a contract offer on Thursday, an official of the United Steelworkers union (USW), which represents the refinery's hourly employees, said on Friday. The workers at the refinery plan to continue talks with Phillips over the contract, an assistant to the USW District 13 director said. They have continued working at the refinery on an extension to the previous contract. The USW reached a national four-year agreement in mid-March with U.S. refinery owners after launching the largest strike by refinery and chemical plant owners in 35 years. The national agreement will be paired with an agreement over local issues at the Alliance refinery to make the contract for the refinery workers at the plant.  
Reuters, 6:25 August 28, 2015

## **New U.S. Oil Data Shows Lower 2015 Production – EIA**

The U.S. oil industry pumped less crude than initially estimated this year, according to data from the Energy Information Administration (EIA). EIA said its new survey-based output data showed the U.S. pumped just below 9.3 million b/d in June, down by 100,000 b/d from a revised May figure.  
Reuters, 11:50 August 31, 2015

## **Valero Reports Process Unit Upset at Its 335,000 b/d Port Arthur, Texas Refinery August 31**

Reuters, 10:17 August 31, 2015

## ***Natural Gas***

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### **Southern Union Reports Compressor Shut at Its 140 MMcf/d Keystone Gas Plant in Texas August 29**

Southern Union reported compressor 24 shut due to a coolant leak in the unit and mechanics were called out to make repairs.

<http://www2.tceq.texas.gov/oce/eeer/index.cfm?fuseaction=main.getDetails&target=219529>

### **Natural Gas Rig Count Falls 9 to 202 August 28 – Baker Hughes**

The number of rigs drilling for natural gas fell by 9 last week to 202, data from Baker Hughes showed on Friday. Horizontal rigs, the type most often used to extract oil or gas from shale, fell by 5 to 672. Oil rigs rose by 1 to 675.  
Reuters, 1:38 August 28, 2015

### **Quanta Services Selected by Rockies Express Pipeline for REX Zone Three Capacity Enhancement Project August 31**

Quanta Services, Inc. today announced that Rockies Express Pipeline LLC (REX) selected Quanta Services to provide turnkey engineering, procurement, and construction services for the REX Zone Three Capacity Enhancement Project. Quanta subsidiaries QPS Engineering and Price Gregory International will play key roles in the project, which includes the installation of three new compressor stations and the upgrade of two existing compressor stations. Quanta commenced engineering and other front-end services for the project, with construction expected to begin in the second quarter of 2016 or when REX receives the required regulatory approvals. Subject to obtaining these approvals, completion is expected in the fourth quarter of 2016. Once the project is complete, the new and upgraded facilities are expected to create up to 800 MMcf/d of additional natural gas takeaway capacity from the Appalachian Basin to the Midwestern and other high-demand natural gas markets.

<http://investors.quantaservices.com/2015-08-31-Quanta-Services-Selected-by-Rockies-Express-Pipeline-for-the-REX-Zone-Three-Capacity-Enhancement-Project>

## ***Other News***

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Nothing to report.

**Update: Shell Says Gas Supplies to Nigeria LNG Reduced Due Oil Pipeline Issues**

Shell on Friday said gas supplies to Nigeria’s LNG export terminal on Bonny Island had been reduced due to the shutdown of a major oil pipeline in the country caused by a leak and theft. The reduction may impact liquefied natural gas exports from the facility. Shell’s Nigerian unit, Shell Petroleum Development Company (SPDC), on Thursday declared force majeure on crude oil exports via two major pipelines, including the Trans Nigeria Pipeline. The shutdown led to a cut in gas being fed into the LNG export plant. SPDC is a joint venture with state oil company Nigerian National Petroleum Corp.

[http://www.downstreamtoday.com/news/article.aspx?a\\_id=48940](http://www.downstreamtoday.com/news/article.aspx?a_id=48940)

**Eni Discovers Supergiant Gas Field Offshore Egypt, Largest Ever Found in Mediterranean Sea August 30**

Eni has made a world class supergiant gas discovery at its Zohr Prospect, in the deep waters off Egypt. The discovery well Zohr 1X NFW is located in the economic waters of Egypt’s Offshore Mediterranean, in 4,757 feet of water depth, in the Shorouk Block, signed in January 2014 with the Egyptian Ministry of Petroleum and the Egyptian Natural Gas Holding Company (EGAS) following a competitive international bid round. According to the well and seismic information available, the discovery could hold a potential of 30 trillion cubic feet of lean gas in place (5.5 billion barrels of oil equivalent in place) covering an area of about 39 square miles. Zohr is the largest gas discovery ever made in Egypt and in the Mediterranean Sea and could become one of the world’s largest natural gas finds. Eni said it will immediately appraise the field with the aim of accelerating a fast track development of the discovery that will utilize at best the existing offshore and onshore infrastructures.

[http://www.eni.com/en\\_IT/media/press-releases/2015/08/Eni\\_discovers\\_supergiant\\_gas\\_field\\_in\\_Egyptian\\_offshore\\_the\\_largest\\_ever\\_found\\_in\\_Mediterranean\\_Sea.shtml?home\\_2010\\_en\\_tab=editorial](http://www.eni.com/en_IT/media/press-releases/2015/08/Eni_discovers_supergiant_gas_field_in_Egyptian_offshore_the_largest_ever_found_in_Mediterranean_Sea.shtml?home_2010_en_tab=editorial)

**Pacific Exploration & Production Announces Start of Operations of Puerto Bahia Port Facilities in Colombia August 31**

Pacific Exploration & Production Corp announced today the start of operations of Puerto Bahía port facilities in Cartagena, Colombia. The terminal officially commenced liquid and general bulk transport operations on August 28, opening a multi-modal specialized port for the public. The port consists of two terminals, a hydrocarbon terminal and a dry cargo terminal. The hydrocarbon terminal has an initial storage capacity of 2.4 million barrels, in eight storage tanks for both naphtha and crude oil and has the capacity to load Suezmax tankers (up to a one million barrels capacity). In addition, it has a truck loading/unloading station and a barge terminal offering complete flexibility in hydrocarbon transportation logistics. The bulk loading terminal has a 328-yard long dock and can handle post-Panamax ships. It has an area of 12 hectares available for storage with room for future expansion. The port is accessed by sea, river, and land in the Bay of Cartagena, on the north side of Baru Island and has a natural draft of 22 yards.

<http://pacificenergy.investorroom.com/2015-08-31-Pacific-Exploration-and-Production-Announces-the-Official-Start-of-Operations-of-Puerto-Bah-a-Port-Facilities>

**Energy Prices**

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<b>U.S. Oil and Gas Prices</b>			
August 31, 2015			
	<b>Today</b>	<b>Week Ago</b>	<b>Year Ago</b>
<b>CRUDE OIL</b>			
<b>West Texas Intermediate U.S.</b>	44.32	38.73	94.51
\$/Barrel			
<b>NATURAL GAS</b>			
<b>Henry Hub</b>	2.66	2.70	4.02
\$/Million Btu			

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>

Please direct comments and questions to: [ead@oe.netl.doe.gov](mailto:ead@oe.netl.doe.gov)