



# ENERGY ASSURANCE DAILY

Monday Evening, October 07, 2013

## Major Developments

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### Update: Gulf of Mexico Oil & Gas Companies Restoring Operations as Tropical Storm Karen Dissipates

Oil & gas companies in Gulf of Mexico were restoring operations after Tropical Storm Karen weakened and dissipated over the weekend. Significant updates include:

- **Offshore Oil & Gas Production.** As of 12:30 p.m. EDT October 7, the Bureau of Safety and Environmental Enforcement (BSEE) reports 491,162 barrels per day (b/d) of the Gulf of Mexico (GOM) crude oil production is shut-in, equivalent to 35.08 percent of GOM crude oil production. This is a decrease of 364,193 b/d from October 6. BSEE reports 1,397.6 million cubic feet per day (MMcf/d) of GOM natural gas production is shut-in, equivalent to 36.78 percent of the GOM natural gas production. This is a decrease of 422 MMcf/d from October 6. Personnel have been evacuated from a total of 138 production platforms, or 24.25 percent of the 565 manned platforms in the GOM. This is a decrease of 131 from October 6. Personnel have been evacuated from 7 rigs, representing 14.58 percent of the 48 rigs currently operating in the GOM. This is a decrease of 13 from October 6.
- **Anadarko Petroleum** reported October 7 that it has safely restarted production its Constitution and Marco Polo offshore platforms, and expected to resume production at Independence Hub and Neptune as third-party pipelines and infrastructure permits.
- **BP** reported October 7 that it had begun redeploying non-essential workers to company-operated platforms on Sunday. BP is also in the process of restarting oil and natural gas production at its four operated production platforms – Thunder Horse, Atlantis, Na Kika, and Mad Dog.
- **Chevron** reported October 6 that it was remobilizing personnel to assets in the Gulf of Mexico, returning operations to normal. Chevron's onshore facilities have resumed normal work schedules and continue to provide products to its customers.
- **ExxonMobil** reported October 7 that its offshore and coastal facilities in the Gulf of Mexico are operating normally following Tropical Storm Karen. Assessments are complete and there appears to be no damage to any ExxonMobil facilities.
- **Shell** reported October 7 that it expected to conclude redeployment activities today. Also, minimal production shut-ins are being restored today.
- **Destin Pipeline** (capacity: 1.2 Bcf/d) reported October 7 that it has terminated the Force Majeure that had been in place since October 3.
- **Garden Banks Gas Pipeline** (capacity: 1.0 Bcf/d) reported October 6 it had returned its TC Offshore and Transco delivery points to service but its Sea Robin and Kinetica delivery points remained unavailable. The Force Majeure issued on October 5 remained in effect at the time.
- **Manta Ray Offshore Gathering** (capacity: 800 MMcf/d) reported October 7 that it has lifted the Force Majeure that had been in place for the following delivery points: Transco332, Transco332-B, NPL-B 207, and Nautilus 207.
- **Mississippi Canyon Gas Pipeline** (capacity: 800 MMcf/d) reported October 5 that personnel have begun to return to Mississippi Canyon facilities and are preparing to return to service effective the night of October 5. The company said the Force Majeure issued on October 4 would be lifted upon resumption of flow on Mississippi Canyon.
- **Louisiana Offshore Oil Port (LOOP)** reported October 6 that it has remained its marine terminal and will resume tanker offloadings later that day. All other operations are normal.
- **Port Sectors.** U.S. Coast Guard Sector New Orleans and Sector Mobile have returned to Port Condition Normal.
- **Phillips 66** reported October 6 that remnants of Tropical Depression Karen no longer posed a threat to its 252,000 b/d Alliance Refinery in Louisiana, and the refinery remains in operation.

For previous reports on customer outages, energy infrastructure issues, and restoration efforts, see: Tropical Storm Karen Situation Reports issued by the U.S. Department of Energy, Office of Electricity Delivery & Energy Reliability (OE/ISER) at the following URL: [http://www.oe.netl.doe.gov/named\\_event.aspx?ID=73](http://www.oe.netl.doe.gov/named_event.aspx?ID=73)

Sources:

<http://www.doi.gov/shutdown/index.cfm>

<http://www.anadarko.com/media/Pages/FlashRelease.aspx?apcflash-id=4>

<http://www.bp.com/en/global/corporate/about-bp/bp-worldwide/bp-in-america/our-us-operations/storm-update.html>

<http://www.chevron.com/news/mediareources/updates.news>

<http://www.shell.us/aboutshell/us-media-center/storm-center/storm-updates.html>

<http://www.destin-pipeline.com/>

<http://www.enbridgeus.com/Informational-Postings/Mississippi-Canyon/Notices/Critical/>

<http://www.enbridgeus.com/Informational-Postings/Manta-Ray/Notices/Critical/>

<http://www.enbridgeus.com/Informational-Postings/Garden-Banks/Notices/Critical/>

<http://www.loopllc.com/Announcements/Announcements/Tropical-Weather-Update>

<http://www.phillips66.com/EN/newsroom/stormcenter/Pages/index.aspx>

## ***Electricity***

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### **Black Hills Power Reports 28,000 Customers Without Service After Winter Storm in South Dakota October 4; 11,300 Remain Without Power October 7**

Black Hills Power reported 28,000 customers were left without power by Friday's winter storm and 11,300 remained without power as of Monday morning. The winter storm dropped more than 48 inches of wet heavy snow in some places and caused tree branches and trees to fall over roads and power infrastructure. Heavy snow also built-up on power lines that impacted Black Hills Power's structures and transmission lines. Additional line crews from partner utilities in South Dakota, Montana, Colorado and Wyoming were assisting with restoration efforts.

<http://www.blackhillspower.com/node/69981>

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

### **Substation Problem Knocks Out Power to 45,000 National Grid Customers in North Buffalo, New York October 5**

National Power reported power was restored to approximately 45,000 customers near North Buffalo, New York on Saturday morning. A company spokesman said the problem occurred in a substation in South Buffalo and that power was lost for approximately four hours. National Grid is still investigating the cause.

<http://www.buffalonews.com/city-region/north-buffalo-hertel/power-restored-to-45000-national-grid-customers-20131005>

### **Update: Exelon Shuts Its 619 MW Oyster Creek Nuclear Unit in New Jersey by October 7**

Exelon Corp. shut its Oyster Creek nuclear power plant in New Jersey from 20 percent power on Sunday due to a problem with the condenser vacuum, the company said in a report to the U.S. Nuclear Regulatory Commission on Monday. A spokesperson at the NRC said the company identified a 1-inch hole in an expansion joint on piping from a relief valve connected to the condenser. That hole caused the vacuum condition in the condenser to degrade. The company said in the report that all systems functioned as designed to shut the plant safely. Over the past week, the unit shut and attempted to restart numerous times.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2013/20131007en.html>

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2013/>

### **Exelon's 1,022 MW Clinton Nuclear Unit in Illinois Reduced to 3 Percent by October 7**

On the morning of October 6 the unit was operating at 96 percent, according to the Nuclear Regulatory Commission.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2013/>

### **Entergy's 1,207 MW Grand Gulf Nuclear Unit 1 in Mississippi Shut by October 5**

On the morning of October 4 the unit was operating at 46 percent, according to the Nuclear Regulatory Commission.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2013/>

### **APS's Reports 1,247 MW Palo Verde Nuclear Unit 3 in Arizona Shut by October 5**

On the morning of October 4 the unit was operating at full power, according to the Nuclear Regulatory Commission.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2013/>

## **AES Reports Containment Liner Penetration Found at Its Beaver Valley Nuclear Unit in Pennsylvania October 4**

AES Corp. reported that during the Beaver Valley refueling outage, a planned visual examination of the interior containment liner and coatings was being performed and an area approximately 0.4 inches by 0.28 inches was discovered that penetrated through the containment steel liner plate. With the plant currently shut down, the containment liner is not required to be operable. The cause is currently being evaluated.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2013/20131007en.html>

## **Luminant's 793 MW Martin Lake Coal-fired Unit in Texas Shut October 4**

Luminant Energy reported a unit tripped due to a malfunctioning control oil solenoid that caused the loss of a boiler feed pump, which resulted in high water wall outlet temperatures at its Martin Lake, Texas, plant. The company did not say when the unit would return to service.

Reuters, 15:11 October 4, 2013

## **Calpine's 525 MW Sutter Gas-fired Unit in California Returns to Service by October 4**

The unit returned from an unplanned curtailment of 259 MW.

<http://content.caiso.com/unitstatus/data/unitstatus201310041515.html>

## **Kansas Supreme Court Reverses Permit for Sunflower Electric's Proposed 895 MW Coal-fired Power Plant**

The Kansas Supreme Court on Friday reversed a decision by state regulators to issue an air permit to Sunflower Electric Power Corp. to build a coal-fired power plant at its Holcomb station in Kansas. According to the court, Kansas environmental regulators failed to require the new plant to comply with certain federal nitrogen and sulfur emission limits. The court remanded the permit to the Kansas Department of Health and Environment for further action. In a release, Sunflower said it will continue to work with the state to "implement the instructions of the court as the permit process moves forward."

Reuters, 17:12 October 4, 2013

## ***Petroleum***

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### **Magellan Midstream to Add New Origin Point, Expand Capacity by 50,000 b/d on Longhorn Pipeline in Texas**

Magellan Midstream Partners, L.P. announced today that it plans to construct a new origin at Barnhart, Texas, to accept crude oil shipments on the partnership's Longhorn pipeline. The new origin, which will be located approximately 75 miles east of the pipeline's Crane, Texas, origin, is expected to begin receiving crude oil in early 2015. Magellan also plans to expand the capacity of the Longhorn pipeline by 50,000 b/d to an increased capacity of 275,000 b/d, all fully committed by long-term customer agreements. The operating capacity of the Longhorn pipeline is expected to reach 275,000 b/d by mid-2014.

<http://www.magellanlp.com/magellannews.aspx?id=2147483871>

### **Seaway Pipeline Resumes Flows at 178,000 b/d After Brief Shutdown – Traders**

The Seaway oil pipeline has resumed shipping after a brief shutdown, trade sources said Monday, citing a report from industry intelligence firm Genscape. Seaway pipeline flows resumed close to 178,000 b/d and were expected to continue ramping up, Genscape reported. Prior to the shutdown, the line was shipping 295,000 b/d. Seaway carries up to 400,000 b/d of crude from Cushing, Oklahoma, to Gulf Coast refineries.

Reuters, 11:15 October 7, 2013

### **Crimson Pipeline Reports 550 Barrel Crude Oil Release in Ventura County, California October 6**

Crimson Pipeline reported a release of about 550 barrels of crude oil from a pipeline into a containment area due to an equipment failure in Ventura County, California, according to a filing with the U.S. National Response Center.

Reuters, 00:36 October 7, 2013

### **Update: Philadelphia Energy Restarts HDS at Its 335,000 b/d Philadelphia, Pennsylvania Refinery October 4**

Philadelphia Energy Solutions restarted a hydrodesulfurizer (HDS) unit after planned maintenance at the Point Breeze section of its refinery in Philadelphia, Pennsylvania, according to a notice from the state regulators. The company had reported that it shut an HDS unit for repairs on September 19.

Reuters, 16:08 October 4, 2013

### **Update: Marathon Reports FCCU Back Online at Its 451,000 b/d Galveston Bay, Texas Refinery October 4**

Marathon Petroleum Corp. said a fluid catalytic cracking unit (FCCU) resumed operation after it had tripped offline at its Galveston Bay, Texas, refinery, according to a filing with state regulators. Flaring from the FCCU and an electrostatic precipitator stack were also reported in the same filing.

Reuters, 15:36 October 4, 2013

### **Update: Tesoro Reports Its 166,000 b/d Martinez, California Refinery Running at Planned Rates Despite Nearby Brush Fire October 4**

Tesoro Corp. said there was no impact to operations from a brush fire on Friday and that its nearby Golden Eagle refinery in Martinez, California, was running at planned rates, according to a filing with Contra Costa Health Services.

Reuters, 16:27 October 4, 2013

### **Exxon Reports Unplanned Flaring at Its 149,500 b/d Torrance, California Refinery September 26**

Exxon Mobil Corp. reported unplanned flaring at its refinery in Torrance, California, according to a filing with the South Coast Air Quality Management District.

Reuters, 13:13 October 4, 2013

### **Tesoro Reports Process Upset at Its 145,000 b/d Anacortes, Washington Refinery October 1**

Tesoro Corp. reported a process upset at its refinery in Anacortes, Washington, according to a filing with the Northwest Clean Air Agency. The company reported possible sulfur dioxide emissions, the filing added.

Reuters, 18:32 October 4, 2013

## ***Natural Gas***

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### **PG&E Shutting Down 20-Inch Line 147 Transmission Pipeline in San Carlos, California October 6 to Comply with Court Order**

Pacific Gas and Electric Co. (PG&E) has begun shutting down a 20-inch transmission natural gas pipeline, which is known as Line 147, in San Carlos, California, to comply with a court order, according to company officials. A San Mateo County judge ordered PG&E to shut down the pipeline last week due to concerns about a possible explosion, like the one that occurred in a San Francisco Bay Area suburb in September 2010. The closure of the pipeline came after emails from an engineer questioning whether an 83-year old seam weld was safe. PG&E said state-of-the-art tests show the line is safe and that it was shutting the line only because of the court order.

<http://www.krmg.com/ap/ap/california/calif-judge-orders-pge-to-shut-down-gas-pipeline/nbGXm/>

<http://www.sfgate.com/bayarea/article/Judge-orders-PG-amp-E-to-shut-down-San-Carlos-gas-4871036.php>

### **Enbridge Reports AGIs Shut at Its Tilden Gas Plant in Texas October 4, 5**

Enbridge Inc. reported, on October 4, acid gas injector (AGI) no. 2 was shut down to change out a faulty high level transmitter switch on the fourth stage scrubber and wires on the third stage suction temperature transmitter. Gas was curtailed during maintenance and flaring was minimal. On October 5, AGI no.1 shut down on high fifth stage discharge pressure due to a chiller pump shutting down and AGI no. 2 also shut down due to high fifth stage discharge pressure. Gas was curtailed during maintenance on the chiller pump and flaring was minimal.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=189143>

## **Southern Union Reports SRU Shut October 3, Flaring October 4 at Its Keystone Gas Plant in Texas**

Southern Union reported, on October 3, it shut the sulfur recovery unit (SRU) at its Keystone gas plant to clean one of the fire eyes. Once the fire eye was cleaned, the SRU was put back online. On October 4, unit no. 20 was taken down for maintenance and field units that would not stay on, caused some flaring.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=189113>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=189146>

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## **Other News**

Nothing to report.

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## **International News**

### **Shell Lifts Force Majeure on Nigerian Bonny Light Oil Exports October 4**

Royal Dutch Shell has lifted a force majeure on Nigerian Bonny Light crude oil exports which was declared in April after the shutdown of a 150,000 b/d pipeline, the company said on Friday. Nigeria has been producing around 15 percent below its 2.5 million b/d capacity this year due to widespread oil theft and leaks from ageing pipelines.

[http://www.downstreamtoday.com/news/article.aspx?a\\_id=40944](http://www.downstreamtoday.com/news/article.aspx?a_id=40944)

### **Nigerian Pipeline Explodes As Workers Repaired Damage Caused By Vandals October 5**

Pipelines and Products Marketing Company, a subsidiary of the Nigerian National Petroleum Corp., reported a vandalized pipeline exploded late Saturday afternoon in Adeje, near Warri, Delta State, injuring seven people. The pipeline was discovered to have been vandalized about a week earlier by oil thieves. It was unclear why the explosion occurred and a large fire ignited, since supply of products through such vandalized pipelines is usually cut off when repair work is in progress. The fire was reportedly still going on Sunday evening.

<http://www.thisdaylive.com/articles/seven-nnpc-oil-workers-injured-in-pipeline-explosion/160881/>

### **Colombia's 80,000 b/d Cano Limon-Covenas Oil Pipeline Shut After Bomb Attacks October 7**

Colombia's 484-mile oil pipeline, the Cano Limon-Covenas, has been temporarily shut down after three bomb attacks, state oil company Ecopetrol said on Monday. Security forces attributed the explosions to leftist guerrillas. The closure of the pipeline did not immediately affect exports or oil production by U.S. oil producer Occidental Petroleum Corp. which feeds oil into the pipeline from a field it operates near the Venezuelan border. The pipeline runs to the Caribbean seaport of Covenas, from where the oil is exported.

Reuters, 11:19 October 7, 2013

### **Kazakhstan's Kashagan Oilfield Resumes Output October 6 After Gas Leak**

A consortium developing Kazakhstan's Kashagan oilfield has resumed production after a gas leak halted work September 25, the Kazakh Oil and Gas Ministry and the consortium said on Monday. Kashagan's oilfield is estimated to contain 35 billion barrels of oil, of which 9 billion to 13 billion are recoverable.

Reuters, 1:01 October 7, 2013

### **Iraq's Majnoon Oilfield Output Rises to 175,000 b/d**

Production from Iraq's Majnoon oilfield, run by Royal Dutch Shell, has risen to 175,000 b/d, the Deputy Prime Minister for Energy Affairs said on Sunday. The 12 billion barrel oilfield was pumping about 45,000 b/d when Shell took over in 2010, but the company later suspended operations to carry out maintenance work. Iraq expects its output to rise by 400,000 b/d by the end of this year, with Majnoon providing a large part of that.

Reuters, 5:54 October 6, 2013

## Kirkuk-Yumurtalik Oil Pipeline to Be Connected to Ceyhan Terminal – Turkish Prime Minister

The Kirkuk-Yumurtalik oil pipeline will be connected to the Ceyhan terminal, the Turkish Prime Minister announced on Monday. The Turkish Minister of Energy and Natural Resources said the Kirkuk-Yumurtalik oil pipeline operates at one-third of its capacity which is detrimental to Iraq's economic interests. He added that the defective operation of Kirkuk-Yumurtalik oil pipeline leads to excess expense which reduces the incomes from oil sales and Turkey is ready to eliminate the malfunction in the pipeline.

<http://en.trend.az/capital/energy/2198291.html>

## Energy Prices

U.S. Oil and Gas Prices			
October 7, 2013			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	103.33	101.88	89.26
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	3.57	3.51	3.23

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](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.

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<http://www.oe.netl.doe.gov/ead.aspx>

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