



ENERGY ASSURANCE DAILY

Wednesday Evening, May 07, 2014

Major Developments

Enbridge Says Power to be Restored to Its 796,000 b/d Line 4 by Late May 7 after Shutting Due to Power Outage to Pump Stations in Saskatchewan May 5

Enbridge Inc. estimates power should be restored to its crude oil Line 4 later on Wednesday evening, a company spokesman said. Enbridge's Line 4, which carries heavy crude oil from Edmonton, Alberta, to Clearbrook, Minnesota, went offline late Monday due to a problem affecting an electricity transmission line to a pair of pump stations east of Regina in southern Saskatchewan, a company spokesman said. Saskatchewan Power Corp., which operates the transmission line, said several power poles connected to the Enbridge facilities were damaged by strong winds and icy conditions. Line 4 is part of the Enbridge Mainline system which carries the bulk of Canadian crude exports to the U.S.

Reuters, 17:55 May 6, 2014

<http://online.wsj.com/news/articles/SB10001424052702303417104579546602938176032>

<http://www.reuters.com/article/2014/05/07/enbridge-inc-pipeline-outages-idUSL2N0NT1N420140507>

Electricity

Update: Lubricating Steam Caused Fire at Colorado Springs Utilities' 254 MW Martin Drake Power Plant

The initial investigation into the cause on Monday morning's fire at Colorado Springs Utilities' Martin Drake coal-fired power plant showed an accidental release of free-flowing lubricating oil came in contact with high-temperature steam pipes, which resulted in a flash fire. The fire department indicated the fire was fed by the free-flowing oil which increased its size and severity. Fire personnel said the investigation will continue and that it may take several weeks to determine all the factors surrounding the oil leak and other specifics. CSU does not have any estimates to the extent of damage or costs associated with the fire and will not have any of that information until its crews can get inside to conduct a thorough assessment, but CSU does know that the facility has heavy heat and smoke damage. The fire is out but CSU continues to monitor any remaining hot spots in the facility. The fire cut power to 22,115 customers, and voluntary evacuations were issued to about 785 residents in the area around the power plant.

<https://www.csu.org/Pages/martin-drake-r.aspx>

<http://www.fox21news.com/news/story.aspx?id=1040938#.U2pb8vldW5h>

PSEG's 1,166 MW Salem Nuclear Unit 1 in New Jersey Shut May 7

Unit 1 at Public Service Enterprise Group Inc's (PSEG's) Salem nuclear power plant in New Jersey shut at about 5 a.m. EDT on Wednesday, the U.S. Nuclear Regulatory Commission (NRC) said in a note. The NRC said the preliminary cause appears to be related to an issue involving the plant's generator. The NRC said the plant is in a safe shutdown condition and there was no impact on the public or plant workers from the shutdown. Salem Unit 2 was shut down for a scheduled refueling and maintenance outage.

Reuters, 10:30 May 7, 2014

Update: Entergy's 813 MW FitzPatrick Nuclear Unit in New York Ramps Up to 95 Percent by May 7

On the morning of May 6 the unit was operating at 65 percent, up from 50 percent by May 5. The unit was operating at full power on May 4.

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

TVA's 1,118 MW Browns Ferry Nuclear Unit 3 in Alabama Shut May 6

Unit 3 automatically shut from full power due to low reactor water level as a result of a trip of both recirculation pumps. Main steam isolation valves remained open with main turbine bypass valves controlling reactor pressure. Reactor feedwater pumps were in service to control reactor water level.

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

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2014/20140507en.html>

Update: Exelon's 850 MW Dresden Nuclear Unit 2 in Illinois Ramps Up to 60 Percent by May 7

On the morning of May 6 the unit was operating at 18 percent, after restarting by May 5. Unit 2 automatically shut from full power on May 3 due to a main generator trip that occurred during a voltage regulator channel transfer.

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

Update: Exelon's 1,111 MW La Salle Nuclear Unit 2 in Illinois Restarts by May 6, Ramps Up to 20 Percent by May 7

By the morning of May 6 the unit had restarted and was operating at 1 percent. The unit shut by April 28.

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

Update: Crockett Cogeneration LP's 240 MW Crockett Gas-fired Unit in California Returns to Service by May 6

The unit returned from an unplanned outage that began by May 5.

<http://content.caiso.com/unitstatus/data/unitstatus201405061515.html>

Dominion Acquires 16 MW Mulberry Farm and 16 MW Selmer Farm Solar Projects in Tennessee

Dominion announced today it acquired two stand-alone solar energy developments in southwest Tennessee. Each of the two stand-alone, fixed-tilt photovoltaic solar projects, named Mulberry Farm and Selmer Farm, will produce approximately 16 MW. They are located in McNairy County, near the town of Selmer, Tennessee. Construction is expected to start shortly, with both projects expected to achieve commercial operation by the end of this year.

<http://dom.mediaroom.com/2014-05-07-Dominion-Acquires-Two-Largest-Solar-Projects-in-Tennessee>

Petroleum

DOT Issues Emergency Order Requiring States be Informed of Oil Train Shipments May 7

The U.S. Department of Transportation (DOT) issued an emergency order Wednesday requiring that railroads inform state emergency management officials before moving large shipments of crude oil through their states, and urged railroads not to use older model tanks cars that are easily ruptured in accidents, even at slow speeds. The emergency order requires that each railroad operating trains containing more than 1 million gallons of crude oil, about 35 tank cars, from the Bakken region of North Dakota, Montana, and part of Canada provide information on their movement to states they traverse.

<http://www.fra.dot.gov/eLib/details/L05222>

<http://www.usnews.com/news/business/articles/2014/05/07/feds-issue-emergency-order-on-crude-oil-trains>

Magellan to Start Linefill in 2Q on Its 300,000 b/d BridgeTex Crude Oil Pipeline from Permian Basin to Houston

Magellan Midstream Partners said on Tuesday it would begin linefill on its BridgeTex pipeline in the U.S. Permian Basin in the latter half of the second quarter of this year with deliveries into Houston, Texas, by the middle of the third quarter. The 450-mile pipeline will run from Colorado City, Texas in the Permian Basin to Houston-area refineries.

Reuters, 13:52 May 6, 2014

Update: ExxonMobil Says Flaring Has Stopped at Its 344,500 b/d Beaumont, Texas Refinery May 6

ExxonMobil Corp. said on Tuesday that flaring due to an off-site pipeline issue at its Beaumont, Texas, refinery, had ceased. The company said on Monday there was minimal impact to production due to the incident at the refinery.

Reuters, 13:52 May 6, 2014

Phillips 66 Added ‘Pre Flash’ Unit at Its 252,000 b/d Alliance Refinery in Louisiana to Improve Eagle Ford Crude Runs

Phillips 66 added a unit during recent planned work at its Alliance refinery in Belle Chasse, Louisiana, to improve runs of Texas Eagle Ford crude, the company’s CEO said on Wednesday. The “pre-flash” unit handles natural gas liquids and condensate that are prevalent in Eagle Ford output. Without it Alliance would have had to slow rates or shut down more often for maintenance, according to the CEO.

Reuters, 11:30 May 7, 2014

Calumet to Install New Crude Unit, Hydrocracker as Part of Its Great Falls, Montana Refinery Expansion

Calumet Specialty Products Partners LP said as part of Great Falls, Montana refinery expansion project, it will install a new 20,000 b/d crude unit and a 25,000 b/d hydrocracker. The refinery currently has a crude oil throughput capacity of 9,800 b/d.

Reuters, 7:46 May 7, 2014

<http://www.calumetspecialty.com/about-us/facilities/calumet-montana-refining>

Natural Gas

UGI Announces New 200 MMcf/d Auburn Loop Pipeline, 100 MMcf/d Union Dale Lateral Pipeline in Pennsylvania

UGI Energy Services, LLC (UGIES) on Tuesday announced the further expansion of its Auburn Gathering System with the construction of a new 9-mile 24-inch pipeline from Susquehanna County to the Manning Compressor Station in Wyoming County, Pennsylvania along with additional compression to be installed at Manning. The new pipeline, called the Auburn Loop, will parallel the existing 12-inch Auburn I pipeline. The expanded system will increase the capacity of the Auburn Gathering System by approximately 200 MMcf/d, bringing the total capacity of the system to 470 MMcf/d. Deliveries will be available starting in the fall of 2014 with the balance of capacity becoming available in the fall of 2015. UGIES also announced the construction of a separate 6-mile 12-inch pipeline to move locally-produced natural gas to UGI Penn Natural Gas, Inc., one of UGI’s utilities in northeast Pennsylvania. The lateral pipeline will run from Clifford Township and terminate in Union Dale Borough, Pennsylvania. The Union Dale Lateral will be capable of moving up to 100 MMcf/d with deliveries available by the fall of 2014.

<http://www.ugicorp.com/press-room/ugi-corporation-news/news/news-details/2014/UGI-Subsidiary-Announces-New-Marcellus-Shale-Development-Projects/default.aspx>

MarkWest to Construct 200 MMcf/d Sherwood Processing Facility, Expand Mobley Complex to 920 MMcf/d in West Virginia

MarkWest Energy Partners, L.P. on Tuesday announced the addition of two new cryogenic processing plants at its Sherwood complex in Doddridge County, West Virginia and its Mobley Complex in Wetzel County, West Virginia. At the Sherwood complex, MarkWest will construct an additional 200 MMcf/d processing plant at the request of Antero Resources Corporation. The new plant will be anchored by a long-term, fee-based contract and will expand total capacity at the Sherwood complex to 1.2 Bcf/d by the second quarter of 2015. At the Mobley complex, MarkWest will increase total processing capacity to 920 MMcf/d with the construction of an additional 200 MMcf/d processing plant at the request of EQT Corporation. The new plant will be anchored by a long-term, fee-based contract and is expected to be in service by the second quarter of 2015. The Mobley complex currently consists of three plants with 520 MMcf/d of total processing capacity and during the fourth quarter of this year, MarkWest will begin operations of a fourth plant at the complex, increasing capacity to 720 MMcf/d.

<http://investor.markwest.com/phoenix.zhtml?c=135034&p=irol-newsArticle&ID=1927912>

Regency Energy to Construct New 200 MMcf/d Processing Plant at Dubberly Facility in North Louisiana, 25,000 b/d NGL Pipeline to Fractionation Facilities

Regency Energy Partners LP announced today it will construct a new processing plant and NGL (natural gas liquids) pipeline at Regency’s Dubberly facility in Louisiana. The project will include the addition of a new 200 MMcf/d cryogenic processing plant at the existing Dubberly facility, which will accept gas directly from Regency’s recently completed Dubberly gathering trunkline. The residue outlet for this facility will be the Regency Intrastate Gas System (RIGS). In addition, Regency will construct a new, 160-mile, 8- and 10 -inch NGL pipeline from Dubberly for delivery to fractionation facilities. The pipeline will have an initial capacity of 25,000 b/d. and will be expandable via additional pump stations. The projects are expected to be completed in mid 2015.

<http://ir.regencygasservices.com/phoenix.zhtml?c=194063&p=irol-newsArticle&ID=1928054&highlight>

Southern Union Reports Units Shut at Its Keystone Gas Plant in Texas May 5

Southern Union reported flaring of low pressure inlet gas coming into the plant when unit 23 went down due to a JW leak and no. 3 cylinder detonation. In addition, a field unit went down due to bad spark plug and unit no. 20 went down due to low revolutions per minute (rpm). The o-ring in the header was replaced and unit no. 23 was put back online. The field unit was put online after the spark plug was replaced and the low pressure inlet gas stopped flaring. <http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=197833>

Other News

Nothing to report.

International News

Bombing on Yemen's 110,000 b/d Maarib Oil Export Pipeline Halts Crude Oil Flows

Yemen's 270-mile Maarib oil export pipeline was bombed May 6, halting crude flows, local officials said. The pipeline was bombed twice in less than 12 hours late on Tuesday in an area between the central Maarib province and the capital, Sana'a, officials said. The pipeline carries crude from the Maarib fields in central Yemen to the Ras Isa oil terminal on the Red Sea.

<http://www.theguardian.com/world/2014/may/07/yemen-oil-export-pipeline-blown-up>

Energy Prices

U.S. Oil and Gas Prices			
May 7, 2014			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S. \$/Barrel	101.03	99.79	95.30
NATURAL GAS			
Henry Hub \$/Million Btu	4.78	4.82	3.93

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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