



ENERGY ASSURANCE DAILY

Thursday Evening, August 21, 2014

Electricity

Storms Knock Out Power to Over 28,000 Kentucky Utilities Customers August 20

Storms moved through central Kentucky on Wednesday afternoon knocking out power to over 28,000 Kentucky Utilities customers. That number was down to around 5,300 by 8:30 p.m. EDT Wednesday, and as of 11:00 a.m. EDT today, nearly all power was restored.

<http://www.wkyt.com/home/headlines/Reports-of-power-outages-damage-as-storms-roll-through-272063861.html>
<http://stormcenter.lge-ku.com/default.html>

Update: Duke Energy Makes Progress Cleaning Up Oil Spill in Ohio River from 1,124 MW Beckjord Station

Duke Energy said it continued to make major progress cleaning up the August 18 spill of approximately 3,000 to 5,000 gallons of fuel oil into the Ohio River at its 1,124 MW W.C. Beckjord Station, 20 miles southeast of Cincinnati, Ohio. The company said it was working closely with the U.S. Environmental Protection Agency, U.S. Coast Guard, Ohio Environmental Protection Agency, Ohio Department of Natural Resources, Kentucky Department for Environmental Protection, and local agencies in response to the spill. Cleanup operations continued around-the-clock and significant amounts of oil were being reclaimed from strategically placed oil-containment booms, skimmers, and vacuums used to collect the oil. The incident occurred shortly after 11 p.m. Monday during a fuel oil transfer at the plant on the banks of the Ohio River in New Richmond, Ohio. The U.S. EPA on Wednesday indicated that recovery of oil would continue through possibly Thursday.

<http://www.duke-energy.com/news/releases/2014082001.asp>
<http://www.uscgnews.com/go/doc/4007/2228606/>

Entergy's 813 MW FitzPatrick Nuclear Unit in New York Reduced to 50 Percent by August 21

On the morning of August 20 the unit was operating at 85 percent.

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

Update: Entergy's 1,207 MW Grand Gulf Nuclear Unit 1 in Mississippi Ramps Up to 88 Percent by August 21

On the morning of August 20 the unit was operating at 79 percent, down from full power on August 19.

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

Update: Calpine's 593 MW Metcalf Gas-fired Unit in California Returns to Service by August 20

The unit returned from an unplanned outage that began by August 19.

<http://content.caiso.com/unitstatus/data/unitstatus201408201515.html>

Chemical Safety Board Report Blames Loose Pipe Fittings for Sulfuric Acid Spill at Tesoro's 156,400 b/d Martinez, California Refinery

The U.S. Chemical Safety Board (CSB) on August 15 released a technical evaluation report on tubing samples taken from the Tesoro refinery in Martinez, California, concluding that a sulfuric acid spill on February 12, 2014, resulted from insufficient tightening between a tube and a compression joint. The spill continued for 2.5 hours, by which time an estimated 84,000 pounds of sulfuric acid was released from equipment onto the refinery grounds and into a process sewer system. The California Division of Occupational Safety and Health (Cal/OSHA) ordered the process unit to remain shutdown from February 18 until February 28 based on worker testimony that the unit was unsafe. The Cal/OSHA PSM Unit was also conducting a comprehensive inspection at the Tesoro Refinery with an emphasis on mechanical integrity and operating procedures. The incident occurred when the operators opened a block valve to return an acid sampling system back to service. Very shortly after this block valve had been fully opened, the tubing directly downstream of the valve came apart, spraying two operators with acid. The report concludes that the sulfuric acid spill immediately followed the failure of a 0.75-inch diameter stainless steel tubing connector that came apart due to insufficient tightening of the tube during installation.

<http://www.csb.gov/csb-releases-analysis-showing-february-2014-release-of-sulfuric-acid-at-tesoro-refinery-in-martinez-california-resulted-from-inadequately-tightened-fitting-/>

Phillips 66 Report Flaring at Its 139,000 b/d Wilmington, California Refinery August 20

Phillips 66 reported a flaring event at its refinery in Wilmington, California, caused the release of chemical substance, according to a filing with the California Emergency Management Agency. The refinery has two linked facilities about five miles apart in Carson and Wilmington. The former processes crude oil while the latter upgrades the products.

Reuters, 21:14 August 20, 2014

Citgo Reports Its 163,000 b/d Corpus Christi East Plant Back to Normal Operations August 20

Citgo Petroleum Corp reported its Corpus Christi East plant was back to normal operations, according to a community alerting service.

Reuters, 12:57 August 20, 2014

Plains All American Announces Plans to Construct 200,000 b/d Diamond Pipeline from Cushing, Oklahoma to Memphis, Tennessee

Plains All American Pipeline, L.P. today announced it will construct the Diamond Pipeline, a 440-mile, 20-inch crude oil pipeline that will provide capacity of up to 200,000 b/d of domestic sweet crude from the Plains Cushing, Oklahoma terminal to the Valero Memphis Refinery in Tennessee, and the ability to access Valero Energy Partner's Collierville pipeline. The project is expected to be completed in late 2016.

<http://ir.paalp.com/profiles/investor/ResLibraryView.asp?ResLibraryID=72064&BzID=789&t=1309&g=549&Nav=0&LangID=1&s=0>

Oregon's DEQ Grants Permit for Global Partners' Clatskanie Rail-to-Barge Terminal to Bring in 117,500 b/d of Bakken Crude

Oregon's Department of Environmental Quality (DEQ) approved an expansion of a crude oil train terminal near Clatskanie to move 1.8 billion gallons of oil annually (approximately 117,500 b/d), enough to bring 50 oil trains per month through Portland and small towns along the Columbia River. The DEQ approved an air pollution permit for Global Partners' oil train terminal on Tuesday. The terminal unloads North Dakota oil from trains onto barges, which then head to refineries in Washington and California.

<http://www.columbian.com/news/2014/aug/21/oregon-agency-grants-permit-oil-train-terminal/>

Power Dip Due to Lightning Strike Shuts DCP Midstream's 160 MMcf/d Goldsmith Gas Plant in Texas August 18

DCP Midstream reported a lightning strike in the area caused a power dip and shut down various pumps, boilers, engines, and fans. Operators immediately called for an electrician to reset the delmar and put plant back online

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=202454>

Other News

Western Gulf of Mexico Lease Sale Could Produce 200 Million Barrels of Oil, 938 Bcf of Natural Gas on More Than 400,000 Acres

The Department of Interior (DOI) on Wednesday said as part of President Obama's all-of-the-above energy strategy to continue to expand safe and responsible domestic energy production, Wednesday's Western Gulf of Mexico Lease Sale 238 attracted \$109,951,644 million in high bids for 81 tracts covering 433,823 acres on the U.S. Outer Continental Shelf offshore Texas. A total of 14 offshore energy companies submitted 93 bids. The lease sale, which offered 21.6 million acres, builds on five previous sales held under the Obama Administration's Outer Continental Shelf Oil and Gas Leasing Program for 2012-2017. The sale offered all unleased areas (excluding those located in the Flower Garden Banks National Marine Sanctuary) in the Western Gulf of Mexico planning area, including 4,026 tracts from nine to more than 250 miles off the coast, in depths ranging from 16 to more than 10,975 feet. The Bureau of Ocean Energy Management (BOEM) estimated the lease sale could result in the production of 116 to 200 million barrels of oil and 538 to 938 billion cubic feet of natural gas.

<http://www.interior.gov/news/pressreleases/western-gulf-of-mexico-lease-sale-yields-110-million-in-high-bids-on-more-than-400000-acres.cfm>

International News

Iraq Starts Pumping Oil via New 1 Million b/d Pipeline from Maysan to Basra

The Iraqi Oil Ministry on Wednesday said it started pumping crude oil from Maysan province oilfields through a new pipeline to Iraqi seaports in Basra. The new 170-mile line, which has an export capacity of one million b/d, links Maysan oilfields to export facilities in Basra on the Arab Gulf, the Ministry said.

http://al-shorfa.com/en_GB/articles/meii/newsbriefs/2014/08/20/newsbrief-07

Update: Iraqi Kurdistan's Oil Pipeline to Turkey Resumes Flow after Upgrade; Now Pumping 200,000 b/d

Crude oil flow on Iraqi Kurdistan's pipeline to Turkey resumed after upgrade work was completed and was now running at an increased rate of 200,000 b/d, industry sources and Turkish officials told Reuters on Thursday. A source said in about a week or 10 days pumping was expected to rise to 220,000 b/d and after that up to 250,000 b/d. So far, 7.8 million barrels of Kurdish oil have flowed through the independent pipeline, of which 6.5 million have been loaded onto tankers for export.

<http://in.reuters.com/article/2014/08/21/iraq-security-oil-kurdistan-idINL5N0QR1CH20140821>

Update: Libya's Oil Production Rises to 612,000 b/d – NOC

Libya's oil production rose to 612,000 b/d, a spokesman for state-run National Oil Corp (NOC) said on Thursday. The OPEC member had last put output at 560,000 b/d.

Reuters, 11:13 August 21, 2014

Energy Prices

U.S. Oil and Gas Prices			
August 21, 2014			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	94.23	96.18	104.73
\$/Barrel			
NATURAL GAS			
Henry Hub	3.85	3.87	3.48
\$/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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