



# ENERGY ASSURANCE DAILY

Wednesday Evening, February 05, 2014

## Major Developments

### Strong Winter Storms Knock Out Power to One Million Customers Across Mid-Atlantic February 4–5

Severe snow and ice storms overnight knocked out power to one million customers in the U.S. Mid-Atlantic, according to local power companies. As of 2:00 p.m. Eastern Time, more than 950,000 customers were reported without power. With the storms continuing through out today, utilities expect the number of outages to increase. The hardest hit state is Pennsylvania with over 750,000 customers out Wednesday morning.

Mid-Atlantic Customer Power Outages			
February 4–5, 2014			
Electric Utility	State	Peak	Latest Reported
LG&E / Kentucky Utilities	KY	22,600	11,702
FirstEnergy	MD	52,392	51,025
Baltimore Gas & Electric	MD	91,327	91,327
PSEG	NJ	33,591	33,591
FirstEnergy	PA	89,356	89,356
PECO	PA	610,276	610,276
PPL Electric	PA	62,300	52,909
FirstEnergy	WV	39,000	15,948
<b>TOTAL*</b>		<b>1,000,842</b>	<b>956,134</b>

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

Sources:

<http://www.etrviewoutage.com/external/ar.aspx>

<http://stormcenter.lge-ku.com/default.html>

<http://outages.firstenergycorp.com/mdwv.html>

<http://outagemap.bge.com/>

[http://www.pseg.com/home/customer\\_service/outage\\_info/outagemap.jsp](http://www.pseg.com/home/customer_service/outage_info/outagemap.jsp)

<http://outages.firstenergycorp.com/pa.html>

<https://www.peco.com/CustomerService/OutageCenter/OutageMap/Pages/OutageMap.aspx>

<https://www.pplelectric.com/my-account/outage-center/outage-map.aspx>

<http://outages.firstenergycorp.com/mdwv.html>

<http://finance.yahoo.com/news/900-000-customers-lose-power-142924985.html>

## Electricity

### Update: Dominion’s 917 MW North Anna Nuclear Unit 2 in Virginia Ramps Up to 98 Percent by February 5

By the morning of February 4 the unit had restarted and was operating at 56 percent, according to the Nuclear Regulatory Commission. The unit was shut February 2 after a main feedwater pump shut down unexpectedly. <http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2014/>

### AES’s 175 MW Redondo Gas-fired Unit 6 in California Shut by February 4

The unit entered an unplanned outage.

<http://content.aiso.com/unitstatus/data/unitstatus201402041515.html>

## **Drought Cuts Into California's Hydro Power Supplies**

California's drought could dry up the state's supply of hydroelectricity, prompting utilities to switch to more expensive gas-fired plants. The Sacramento Bee reported that utilities don't anticipate shortages when summer's peak electricity demand arrives, but customers could eventually end up paying more because gas-fired electricity costs about three times more than hydro power, according to federal energy officials. A spokesman for the Public Utilities Commission told the newspaper a fairly minor impact on rates is most likely for the state's rate-regulated utilities. He says any rate increase because of the drought would take effect in 2015. Water accounts for about 15 percent of California's total power supply in a normal year.

[http://www.chicoer.com/breakingnews/ci\\_25057801/drought-cuts-into-californias-hydro-power-supplies](http://www.chicoer.com/breakingnews/ci_25057801/drought-cuts-into-californias-hydro-power-supplies)  
<http://www.sacbee.com/2014/02/04/6125877/drought-cuts-into-states-hydro.html>

## ***Petroleum***

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### **Midwest Propane Stocks Rise for Week-ending January 31; Midwest Wholesale and Retail Prices Decline February 3 - EIA**

For the week ending January 31, propane stocks in the Midwest (PADD 2) were 9.6 million barrels, up 9% from the previous week but down 39% from the same week in 2013, according to data from the Energy Information Administration (EIA). Midwest inventories for the same week have ranged from 13.2 to 19.7 million barrels over the previous 5 years. Wholesale and retail prices have also declined from highs last week. Average wholesale prices in the Midwest declined to \$2.76 per gallon on February 3, down 30% from the previous week. Average Midwest (PADD 2) residential retail prices retreated to \$3.83 per gallon on February 3, down 9% from the previous week. Price decreases were not uniform across the region; Prices increased in 4 of the 11 Midwest States tracked by EIA, primarily in the eastern part of the region (Indiana, Kentucky, Michigan, and Ohio). Prices fell furthest in the Upper Midwest, which had seen the largest price increases over previous weeks. The Midwest is experiencing an ongoing propane shortage amid a colder-than-normal winter and two extended cold snaps since the end of December.

<http://www.eia.gov/petroleum/supply/weekly/>

### **U.S. Department of Transportation Extends Regional Truck Driver Hours-of-Service Waivers February 5 Amid Continued Propane Shortage**

On February 5, the U.S. Department of Transportation's Federal Motor Carrier Safety Administration (FMCSA) extended its regional orders temporarily suspending Federal safety regulations, including Hours-of-Service (HOS), for motor carriers and drivers delivering propane and other heating fuels to March 1, 2014. The extension applies to DOT's Midwestern, Eastern, Southern, and Western divisions, affecting 36 States and the District of Columbia. DOT initially issued regional in late January.

[http://www.fmcsa.dot.gov/about/alerts/emergency-declarations\\_2013.aspx](http://www.fmcsa.dot.gov/about/alerts/emergency-declarations_2013.aspx)

### **Crude Oil from North Dakota's Bakken Fields Improperly Classified in Truck Shipments**

U.S. Pipeline and Hazardous Materials Safety Administration (PHMSA) investigators found crude oil being transported from North Dakota's Bakken region was misclassified in samples taken from 11 out of 18 truck shipments en route to rail loading stations. Hazardous materials shipments are supposed to be classified into one of nine categories depending on the risk involved. If the materials are misclassified, they could wind up being shipped in less protective rail tank cars and emergency personnel might follow the wrong protocols when responding to a spill. PHMSA said it has proposed fining three companies involved in the shipments—Hess Corp., Whiting Oil and Gas Corp., and Marathon Oil Co.—a total of \$93,000.

[http://www.rigzone.com/news/oil\\_gas/a/131445/Feds\\_Oil\\_from\\_Dakota\\_Fields\\_Improperly\\_Classified#sthash.0AuC3wLJ.dpuf](http://www.rigzone.com/news/oil_gas/a/131445/Feds_Oil_from_Dakota_Fields_Improperly_Classified#sthash.0AuC3wLJ.dpuf)

### **Shell Starts Up Production at Its Olympus Platform in U.S. Gulf of Mexico February 3**

Royal Dutch Shell said on Tuesday it was ramping up production at its newest Gulf of Mexico oil and gas platform. Shell's Olympus platform, towed out to sea last summer, is the first of seven new state-of-the-art platforms slated to start pumping Gulf crude to shore through 2016, reversing a decline in output and supplementing the U.S. onshore shale oil boom. Shell's Olympus sits about a mile from its Mars platform around 130 miles south of New Orleans. Oil began flowing from its first completed well on Monday. Shell said Olympus will help push the Mars oilfield's production to 100,000 b/d by 2016. In 2013, the field produced an average of 60,000 b/d, the company said.

[http://www.rigzone.com/news/oil\\_gas/a/131444/Shell\\_Opens\\_its\\_First\\_PostMacondo\\_Platform\\_in\\_US\\_Gulf#sthash.o8sEVrv1.dpuf](http://www.rigzone.com/news/oil_gas/a/131444/Shell_Opens_its_First_PostMacondo_Platform_in_US_Gulf#sthash.o8sEVrv1.dpuf)

## **Tesoro Announces Binding Open Season, Proposes Additional Expansion to Tesoro High Plains Pipeline System and Bakken Area Storage Hub Project in North Dakota**

Tesoro Logistics LP announced on Tuesday the launch of a binding open season, to assess shipper interest in firm priority capacity on the Tesoro High Plains Pipeline system (THPP). The proposed THPP capacity expansion would be executed in two phases. Phase one would transport up to approximately 70,000 b/d of crude petroleum from various points south of Lake Sakakawea to Ramberg Station, North Dakota by July 1, 2014. The second phase will provide incremental pipeline capacity of up to 90,000 b/d from Ramberg Station to Stampede, North Dakota with an expected in service time frame of second half of 2015. Additionally, Tesoro is proposing an expansion of the Bakken Area Storage Hub (BASH) terminal facility. The storage facility is being constructed near THPP's Ramberg Station and is expected to have capabilities to allow shipper access to/from multiple pipelines and rail loading facilities in the area, including Enbridge's North Dakota Pipeline System, the proposed Sandpiper Pipeline to Clearbrook, Minnesota, Crestwood's COLT hub rail facility and/or Global's Stampede rail facility in Columbus, North Dakota. Initial storage capacity at BASH is expected to be at least one million barrels of crude oil with the first 360,000 barrels of working storage capacity currently under construction anchored by Tesoro Refining & Marketing Company LLC. TLLP currently owns or has rights to acquire sufficient land to expand BASH capacity to at least 2.5 million barrels.

<http://www.tesorologistics.com/phoenix.zhtml?c=242247&p=irol-newsArticle&ID=1896560&highlight=>

## **Flint Hills Says It Will Shut Its 226,500 b/d North Pole Refinery in Alaska by June 2014**

Flint Hills Resources announced on Tuesday that it would cease gasoline, jet fuel, and heating oil production at its refinery in North Pole and will shut down by June 1 and become an oil shipping and storage terminal. Flint Hills said gasoline production would end by May 1, while jet fuel and heating oil production would end no later than June 1.

<http://www.alaskadispatch.com/article/20140204/blow-fairbanks-flint-hills-says-it-will-close-down-north-pole-refinery>

## ***Natural Gas***

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### **Spectra Submits Filing with FERC for 550 MMcf/d Pipeline to Move Natural Gas from Ohio to Gulf Coast**

Texas Eastern Transmission LP, a unit of Spectra Energy Partners LP, submitted a filing on Tuesday with the U.S. Federal Energy Regulatory Commission (FERC) to build a pipeline extension that would allow it to move natural gas from Ohio to the Gulf Coast. The 76-mile, 30-inch pipeline would run from the Kensington processing plant in Columbiana County, Ohio to interconnect with Texas Eastern's existing hub in Monroe County, Ohio. The so-called Ohio Pipeline Energy Network Project would be capable of transporting 550 MMcf/d from Ohio to the Gulf Coast, the company said in the filing. Texas Eastern requested FERC grant permission to build the pipeline by December 5 to give the company time to put the proposed facilities in place by November 1, 2015.

<http://finance.yahoo.com/news/spectra-seeks-ok-line-move-160155974.html>

## ***Other News***

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Nothing to report.

## ***International News***

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Nothing to report.

## Energy Prices

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U.S. Oil and Gas Prices			
February 5, 2014			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	96.89	96.74	96.66
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	7.91	5.18	3.27

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>

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