



ENERGY ASSURANCE DAILY

Wednesday Evening, February 26, 2014

Electricity

Update: 3,300 B.C. Hydro Customers in British Columbia Remain Without Power February 26

A snowstorm hit the western Vancouver, British Columbia, area on Monday leaving a peak of about 25,000 B.C. Hydro customers without power on southern Vancouver Island. As of 3:00 p.m. EST today, 1,243 B.C. Hydro customers remained without power on southern Vancouver Island. In addition B.C. Hydro reported 1,328 customers without power on northern Vancouver Island, and 736 in the Lower Mainland/Sunshine Coast region.

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

Update: Exelon's 1,093 MW Peach Bottom Nuclear Unit 3 in Pennsylvania Ramps Up to Full Power by February 26

On the morning of February 25 the unit was operating at 23 percent. Exelon Corp. said the unit was reduced to 22 percent capacity on February 24 to repair an electrical component in the switch yard.

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

FirstEnergy's 1,235 MW Perry Nuclear Unit 1 in Ohio Reduced to 89 Percent by February 26

On the morning of February 25 the unit was operating at full power.

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

Update: Blythe Energy, LLC's 493 MW Blythe Energy Center Gas-fired Unit in California Returns to Service by February 25

The unit returned from an unplanned outage that began by February 24.

<http://content.aiso.com/unitstatus/data/unitstatus201402251515.html>

Petroleum

U.S. DOT Issues Emergency Order Requiring Stricter Standards to Transport Crude Oil by Rail

The U.S. Department of Transportation (DOT) on Tuesday issued an Emergency Order requiring all shippers to test product from the Bakken region to ensure the proper classification of crude oil before it is transported by rail, while also prohibiting the transportation of crude oil in the lowest-strength packing group. The Emergency Order, the fourth from DOT in less than a year, was issued in response to recent derailments involving trains carrying crude oil from the Bakken region and out of concerns over proper classification that are currently under investigation as part of Operation Classification, also known as the "Bakken Blitz." Effective immediately, those who offer crude oil for transportation by rail must ensure that the product is properly tested and classified in accordance with federal safety regulations. The Emergency Order also requires that all Class III crude oil shipments be designated as Packing Group I or II, thereby requiring the use of a more robust tank car. Packing Group III, a lower risk designation, will not be accepted, until further notice. Shippers are required to use nine hazard classes as a guide to properly classify their hazardous materials. Proper classification will ensure that the material is placed in the proper package and that the risk is accurately communicated to emergency responders. Shipping crude oil – or any hazardous material – without proper testing and classification could result in material being shipped in containers that are not designed to safely store it, or could lead first responders to follow the wrong protocol when responding to a spill.

<http://www.dot.gov/briefing-room/dot-issues-emergency-order-requiring-stricter-standards-transport-crude-oil-rail>

Update: Mississippi River Near New Orleans, Louisiana Fully Reopens, Oil Spill Response Continues February 26

The U.S. Coast Guard said Wednesday that the Mississippi River was open and responders with the E2MS 303 Unified Command continued to conduct assessments Tuesday, to minimize pollution threats after the motor vessel Lindsey Ann Erickson and the E2MS 303 tank barge collided and caused an oil spill on Saturday. The collision damaged the barge which caused a release of 750 barrels of light crude oil into the Mississippi River. There were approximately 150 personnel responding to the incident including federal, state, local, and industry representatives. There have been no reports of oiled or injured wildlife, and the cause of the incident is under investigation <https://www.piersystem.com/go/doc/4007/2107034/PHOTO-RELEASE-Cleanup-assessments-continue-for-Mississippi-River-spill-response>

Natural Gas

Update: Chevron Appalachia's Lanco 6H Well in Pennsylvania Capped February 25

On Tuesday, at approximately 4:00 p.m. EST, Wild Well Control successfully capped the 6H Lanco well, after capping the 7H Lanco well on Sunday. On February 11, a fire was reported on Chevron Appalachia's Lanco 7H well pad in Dunkard Township, Pennsylvania. An adjacent well on the pad, 6H, began burning on February 14, after sustaining damage from the heat of the fire from the initial well. The two wells were no longer burning as of February 15. At this time both wells are capped, stopping gas flow from the wells. The next step is for Wild Well Control to assess the integrity of the 8H well. The integrity testing involves inspecting the seals on the well head as well as testing the integrity of the valves and ports. Once the diagnostics from the testing are available, repairs will be completed, if necessary, to secure this final well. Once it is determined that the 8H well is also secure, a thorough investigation to determine the cause of the incident will begin. <http://www.chevron.com/news/mediareources/updates.news>

Xcel Energy Begins Construction of 34-mile Cherokee Natural Gas Pipeline in Colorado

Xcel Energy announced on Tuesday that it has begun construction work on an approximately 34 mile, 24-inch steel, high-pressure natural gas transmission pipeline. The Cherokee Natural Gas Pipeline project will bring natural gas from a facility in Fort Lupton, Colorado, to the company's Cherokee Generating Station near downtown Denver. Natural gas will replace coal as the fuel used at the power plant to generate electricity. The pipeline has an anticipated in-service date of October 2014. Xcel Energy is implementing a key component of its Clean Air-Clean Jobs plan by retiring three units at its Cherokee Generating Station totaling 365 MW, converting a 352 MW fourth unit to operate on natural gas, and adding a new 569 MW natural gas plant.

<http://www.9news.com/news/local/article/379131/346/Xcel-Energy-to-begin-construction-of-pipeline>

<http://www.xcelenergycherokeepipeline.com/>

[https://www.xcelenergy.com/About Us/Our Company/Projects and RFPs/Cherokee Pipeline Project](https://www.xcelenergy.com/About%20Us/Our%20Company/Projects%20and%20RFPs/Cherokee%20Pipeline%20Project)

Upton Reports Flaring at Its 112 MMcf/d Benedum Gas Plant in Texas February 25

Upton reported its Benedum gas plant flared intermittently throughout the day when the no. 9 and no. 11 units went down on high liquid level which caused flaring of Dec1OH, 650#, residue, and third stage. El Paso then slammed on high H2S flaring 5#, barnhart/sprayberry, and flashgas. Operations responded to unit no. 9 and no. 11 by draining the scrubbers on no. 9 and no. 11 and restarting the units. Operations had to wait for El Paso to open the valve and pull the third stage amount.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=194699>

ExxonMobil Reports P-12 Shut at Its 65 MMcf/d Dollarhide Gas Plant in Texas February 25

ExxonMobil reported the P-12 unit was down on local panel shutdown and would not restart. An electrician found that the wires going to panel were chewed up by rats. Field operations were requested to shut in all flowing wells to reduce and mitigate flaring. Electricians were in the process of replacing damaged wires.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=194663>

Other News

Colorado Panel Approves New Oil, Gas Drilling Rules February 23

The Colorado Air Quality Control Commission on February 23 approved a plan to reduce air pollution from oil and gas drilling, including a statewide limit on methane emissions. Companies operating in Colorado will be required to inspect facilities for leaks, up to once a month, install the latest valves and auto-igniters, and capture or control 95 percent of emissions, using vapor-recovery tanks or other technology.

<http://news.msn.com/us/colorado-panel-oks-new-oil-and-gas-drilling-rules>

International News

South Sudan's Dar Blend Oil Output Unaffected by Clashes – Petroleum Ministry

The violence that erupted in South Sudan's oil-rich Upper Nile state on February 18, violating a cease-fire agreement signed by government and rebel negotiators a month ago, posed "no imminent threat" to crude production and output was progressing normally, the Petroleum Ministry said today. Dar Petroleum Operating Co. was pumping 165,000 b/d of Dar Blend at blocks 3 and 7 in the northeastern region, the ministry said. Output of Nile Blend crude in Unity state has "yet to fully resume," it said.

<http://www.bloomberg.com/news/2014-02-26/south-sudan-says-dar-blend-oil-output-unaffected-by-clashes-1-.html>

Energy Prices

U.S. Oil and Gas Prices			
February 26, 2014			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	102.20	102.76	92.08
\$/Barrel			
NATURAL GAS			
Henry Hub	5.62	5.74	3.42
\$/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>

Please direct comments and questions to: ead@oe.netl.doe.gov