



ENERGY ASSURANCE DAILY

Thursday Evening, April 03, 2014

Electricity

Exelon Declares Alert Due to Fire in Turbine Building at Its 855 MW Quad Cities Nuclear Unit 2 in Illinois April 2

On April 2 at 13:40 CDT, an alert was declared due to a fire in the unit 2 turbine building. Prior to declaring the alert, unit 2 was manually scrammed. The fire was extinguished and unit 2 remained in hot shutdown. At 21:32 CDT on April 2, the licensee terminated the unit 2 alert declaration and unit 2 was stable in mode 3 (hot shutdown). Unit 2 was proceeding to mode 4 (cold shutdown) on shutdown cooling. On March 31, with unit 2 at 87 percent and coasting down, leakage was identified from the body of a one inch isolation valve associated with a control rod drive hydraulic control unit.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2014/20140403en.html>

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2014/20140403ps.html>

DTE's 1,089 MW Fermi Nuclear Unit 2 in Michigan Reduced to 10 Percent by April 3

On the morning of April 2 the unit was operating at 21 percent after exiting a refueling outage by March 29.

<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 68 Percent by April 3

On the morning of April 2 the unit was operating at 20 percent after restarting by March 31. The unit shut by March 29 due to a turbine trip.

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

Petroleum

Update: Exxon Expects to Meet Contractual Commitments after Feed Cut at Its 560,500 b/d Baytown, Texas Refinery

Exxon Mobil Corp. said on Thursday it expected to meet its contractual commitments after feed was cut to two units following emissions from its Baytown, Texas, refinery on Tuesday. The company reported minimal impact to production at the refinery after it reduced feed to a catalytic light ends unit and a gasoline-producing fluid catalytic cracker.

Reuters, 2:18 April 3, 2014

Update: Tesoro Restarts Unit after Repairs at Its 166,000 b/d Martinez, California Refinery April 2

Tesoro Corp. reported restarting a unit after repairs at its Golden Eagle refinery in Martinez, California, on Wednesday, according to a filing with state pollution regulators on Thursday.

Reuters, 10:57 April 3, 2014

West Shore Pipeline Company Restarts Badger Pipeline in Illinois March 31

West Shore's Badger refined products pipeline restarted on March 31 after being shut for repairs between Canal Junction and Argo and Harlem.

Reuters, 10:23 April 3, 2014

Reuters, 20:45 March 27, 2014

Magellan Midstream Proceeds to Next Project Phase for Potential 75,000 b/d Little Rock Pipeline in Arkansas

Magellan Midstream Partners, L.P. announced Thursday that it received sufficient commitments through its recent open season to proceed to the next phase for its potential pipeline to Little Rock, Arkansas. Magellan has proposed to transport up to 75,000 b/d of gasoline, diesel fuel, and jet fuel to Little Rock from the partnership's Ft. Smith, Arkansas terminal, providing the Little Rock market access to refined products from Mid-Continent and Gulf Coast refineries via Magellan's extensive refined petroleum products pipeline system. Management is currently negotiating an agreement to utilize a portion of an existing third-party pipeline, which will be extended to Magellan's Ft. Smith terminal and the Little Rock market with newly-constructed pipeline. Subject to finalizing this agreement and receipt of the necessary permits and regulatory approval for the pipeline construction, the potential Little Rock pipeline could be operational in late 2015.

<http://www.magellanlp.com/magellannews.aspx?id=2147483931>

North Dakota and Montana's Bakken, Three Forks Oil Output to Average 1.1 Million b/d in 2014 – Wood Mackenzie

Oil production in North Dakota and Montana's Bakken and Three Forks formations will average 1.1 million b/d this year, according to estimates announced Wednesday by research firm Wood Mackenzie, and anticipates it will grow to 1.7 million b/d in 2020. Last year, North Dakota produced a daily average just under 860,000 b/d, according to statistics from the North Dakota Industrial Commission's oil and gas division. The North Dakota Petroleum Council expects the state's oil production to surpass 1 million b/d in June.

http://www.rigzone.com/news/oil_gas/a/132406/Report_2014_Bakken_Oil_Output_11MM_Barrels_A_Day#sthash.H2aQFoad.dpuf

Canadian Natural Resources Pipeline Spills Over 18,400 Gallons of Oil, Water in Alberta March 31

A Canadian Natural Resources Limited (CNRL) pipeline spilled 18,492 gallons of oil and processed water northwest of Slave Lake, Alberta. The Alberta Energy Regulator says the breach happened on Monday and was reported by CNRL the same day. The regulator said the spill was not an emergency, the oil was not near any people, water or wildlife, and a cleanup was underway. Low amounts of hydrogen sulfide gas were also detected. CNRL said most of the spill, 18,029 gallons, was processed water and all the oil had been recovered. The leak was a result of an onsite, above ground pipe failure and leaked for less than three hours, CNRL said.

<http://www.castanet.net/news/Business/112317/Canadian-Natural-Resources-pipeline-in-Alberta-leaks-70-000-litres-of-oil-water>

http://www.huffingtonpost.ca/2014/04/02/cnrl-pipeline-spill_n_5078644.html

Canada's National Energy Board to Hold Hearings on 590,000 b/d Expansion of Kinder Morgan's Trans Mountain Pipeline

Canada's National Energy Board (NEB) said on Wednesday it would hold hearings on Kinder Morgan Energy Partners LP's proposed expansion of the Trans Mountain oil pipeline from Edmonton to Vancouver, with its review expected to wrap up in mid-2015. The NEB said it identified 12 issues for discussion during the hearings, including the environmental effects of the project, its impact on aboriginal interests and contingency planning for accidents, among other things. Kinder Morgan filed an application in December to nearly triple the capacity of its 715-mile Trans Mountain line, which is the only pipeline running from Alberta's vast oil sands to British Columbia's coast. The project involves twinning the existing pipeline where possible and would boost capacity to 890,000 b/d from 300,000 b/d.

<http://finance.yahoo.com/news/canadian-regulator-hold-hearings-trans-233202603.html>

<http://www.neb-one.gc.ca/clf-nsi/rthnb/nws/nwsrsls/2014/nwsrsls12-eng.html>

Enbridge Says 800,000 b/d Alberta Clipper Expansion Delayed Until July 2015

Two expansion projects on Enbridge Energy partners' Alberta Clipper pipeline will be delayed until July 2015, the company president said on Wednesday. Enbridge was working through a supplemental environmental review with the U.S. Department of State and the two expansions, which will bring the pipeline's capacity to 800,000 b/d, will simultaneously come online next year, according to the company's president.

Reuters, 17:45 April 2, 2014

Cheniere Signs 1.5 mtpa LNG Sale and Purchase Agreement with Endesa for Supply from Its Corpus Christi Liquefaction Project in Texas

Cheniere Energy, Inc. announced Wednesday that its subsidiary, Corpus Christi Liquefaction, LLC, entered into a liquefied natural gas (LNG) sale and purchase agreement (SPA) with Endesa Generacion, S.A. under which Endesa agreed to purchase approximately 1.5 mtpa of LNG upon the commencement of operations from the LNG export facility being developed near Corpus Christi, Texas. The Corpus Christi Liquefaction Project is being designed and permitted for up to three trains, with aggregate design production capacity of 13.5 mtpa of LNG. The SPA has a term of twenty years commencing upon the date of first commercial delivery and an extension option of up to ten years. Deliveries are expected to occur as early as 2018.

<http://phx.corporate-ir.net/phoenix.zhtml?c=101667&p=irol-newsArticle&ID=1914941&highlight>

Other News

Inspectors Find No Further Radiation Leaks at New Mexico Nuclear Waste Site

Inspectors went into an underground nuclear waste disposal vault in New Mexico on Wednesday to begin an on-site investigation of a radiation leak February 14 that exposed 21 workers and forced a shutdown of the facility. The U.S. Department of Energy (DOE) and the contractor that runs the repository, Nuclear Waste Partnership LLC, have said there was no threat to the public or environment. The source of the radiation leak has not been determined, but a DOE spokesman said one theory is there might have been a structural collapse at one of the storage compartments, or panels. Experts suspect the release was most likely to have originated in one compartment, Panel 7, where material had recently been added. Additional radiation sensors lowered into access shafts of the cavern since early March indicated no further radiation leaks in the surrounding air, paving the way for the re-entry by inspectors on Wednesday afternoon. An eight-member inspection team consisting of radiological and mine-safety experts descended by elevator to the underground interior of the plant to establish a base of operations and measure radiation levels, a DOE spokeswoman said. They found there was no airborne contamination, the DOE said. A second team went underground 30 minutes later, the agency said.

Reuters, 00:14 April 3, 2014

International News

Libya in Talks With Rebels to End Blockade; El Sharara, El Feel Oilfields and Wafa Condensate Pipeline to Mellitah Port Remain Closed April 3

Libya acting oil minister Omar Shakmak said on Thursday he has seen “good intentions” at indirect talks with eastern rebels which might lead to the lifting of their blockage of major oil ports within days. He added that tribal leaders and local leaders were working hard to negotiate with the port rebels. Libya’s crude output has fallen to around 150,000 b/d from 1.4 million b/d in July when a wave of protests started across country. Shamkak said the southwestern 340,000 b/d El Sharara field, the El Feel field, and an oil condensates pipeline from the Wafa field to the Mellitah port were all still closed by protesters.

Reuters, 11:09 April 3, 2014

Russia Increases Gas Prices for Ukraine by 80 percent Within Three Days April 3

Russia increased the gas price for Ukraine for the second time in just three days to push prices up by 80 percent. Moscow has frequently used energy as a political weapon in dealing with its neighbors, and European customers are concerned Russia might again cut off deliveries due to the situation in Crimea. The latest rise will be to \$485 per 1,000 cubic metres—two days after Gazprom announced a 44 percent hike in the gas price to \$385.5 per 1,000 cubic metres from \$268.5 due to unpaid bills.

Reuters, 11:12 April 3, 2014

Energy Prices

| U.S. Oil and Gas Prices | | | |
|--|-------|----------|----------|
| April 3, 2014 | | | |
| | Today | Week Ago | Year Ago |
| CRUDE OIL West Texas Intermediate U.S. \$/Barrel | 99.65 | 101.60 | 95.67 |
| NATURAL GAS Henry Hub \$/Million Btu | 4.35 | 4.42 | 4.07 |

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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