



ENERGY ASSURANCE DAILY

Friday Evening, April 29, 2016

Major Development

Spectra Energy Responding to Fire on Its Texas Eastern Natural Gas Pipeline System in Pennsylvania April 29; TETCO Declares Force Majeure near Delmont Compressor Station

Spectra Energy, the parent company of Texas Eastern Transmission Co. (TETCO) on Friday was responding to an explosion and fire from a 30-inch natural gas pipeline in Salem Township, Pennsylvania that occurred at 8:13 a.m. EDT. There are four parallel Texas Eastern natural gas transmission pipelines in the impacted right-of-way and all lines were isolated within an hour of the incident, the company said. According to the Pennsylvania Department of Environmental Protection (DEP), the impacted pipeline was shut by 9:22 a.m. EDT, and residual fires were extinguished by 1:30 p.m. EDT, Spectra added. The incident has prompted TETCO to declare force majeure due to “an unplanned outage” downstream of its Delmont Compressor Station, which is within a couple miles of the incident area. Repair efforts will commence as soon as possible but the estimated time of restoration is unclear at this time. As a result of this unplanned outage, TETCO has notified shippers that nominations currently scheduled for gas day April 29 through the Delmont Compressor Station on the Penn Jersey Line are being reduced to 0 MMcf/d. Additionally, a natural gas storage observation well operated by Dominion Transmission, Inc. (DTI) was shut as a result of the explosion. A mechanical integrity assessment is required prior to placing the well back in service, according to DEP. Additionally, the U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration (PHMSA) is on-site investigating the cause of the explosion and will work with the companies to establish a corrective action order as well as a restart timeline. The 10.46 Bcf/d Texas Eastern transmission system covers 9,096-miles of pipeline connecting the Gulf Coast producing region with high demand markets in the northeastern United States.

<https://infopost.spectraenergy.com/infopost/default.asp?pipe=TE>

<http://www.spectraenergy.com/announcements/>

<http://www.ahs.dep.pa.gov/NewsRoomPublic/articleviewer.aspx?id=20973&typeid=1>

Electricity

SCE Reports Over 20,000 Customers without Power Due to Substation Outage in Southern California April 29

Southern California Edison (SCE) on Friday morning reported over 20,000 customers without power in Hemet and San Jacinto due to a substation outage. As of 3:30 p.m. EDT Friday, 17,425 customers remained without power.

<https://www.sce.com/wps/portal/home/outage-center/>

<http://www.pe.com/articles/power-801475-company-reason.html>

Storm, Heavy Rain Knocks Out Power to 15,000 Entergy Customers in Arkansas April 29

Strong storms, producing heavy rain and high winds, knocked out power to 15,000 Entergy Arkansas customers on Friday morning primarily in Pulaski and Faulkner Counties. Entergy said many of the outages were due to lightning strikes. As of 3:30 p.m. EDT Friday, 8,088 customers remained without power.

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

<https://twitter.com/EntergyArk>

<http://www.arkansasonline.com/news/2016/apr/29/weather-service-warns-severe-thunderstorms-friday/?f=news-arkansas>

Exelon's 1,116 MW Peach Bottom Nuclear Unit 2 in Pennsylvania Reduced to 85 Percent by April 29

On the morning of April 28 the unit was operating at full power.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2016/>

PPL's 1,111 MW Susquehanna Nuclear Unit 2 in Pennsylvania Reduced to 77 Percent by April 29

On the morning of April 28 the unit was operating at full power.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2016/>

Southern's 856 MW Hatch Nuclear Unit 1 in Georgia Reduced to 61 Percent by April 29

On the morning of April 28 the unit was operating at full power.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2016/>

Cabrillo Power's 300 MW Encina Gas-fired Unit 4 in California Shut by April 28

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201604281515.html>

CAL Fire Says Power Lines Caused Butte Wildfire in California; Seeks \$90 Million from PG&E

The California Department of Forestry and Fire Protection (CAL Fire) on Thursday said it will seek more than \$90 million in firefighting costs from Pacific Gas & Electric Co. (PG&E) after finding that a deadly fire, near Sacramento, was sparked by a tree that came into contact with a power line. Investigators were dispatched as part of the initial response to the Butte Fire on September 9, 2015 and immediately began working to determine the origin and cause of the fire. The utility said it accepts the cause but says it is not clear that it was to blame for the tree failing. The fire burned for three weeks, killing two people and destroying more than 900 structures, including about 550 homes. The 110-square-mile fire caused an estimated \$300 million in insured losses and is the seventh-most destructive wildfire in state history. CAL Fire said PG&E and its contractors failed to provide proper maintenance after removing two gray pine trees from a stand in January 2015, exposing a weaker, skinnier interior tree. The Calaveras County Board of Supervisors issued a statement Thursday saying it would seek "hundreds of millions of dollars in compensation" from the utility. The board said it will also ask the California Public Utilities Commission, which oversees the company, for an investigation and penalties.

<http://calfire.ca.gov/communications/downloads/newsreleases/2016/ButteFireCause.pdf>

<http://butte.calaverasgov.us/Portals/Butte/Docs/2PGE%20Caused%20Butte%20Fire--Calaveras%20County%20Press%20Release.pdf>

<http://www.southcoasttoday.com/article/ZZ/20160429/NEWS/304299978/-1/NEBULLETIN>

Petroleum

Motiva Reports Equipment Failure on Process Unit at Its 603,000 b/d Port Arthur, Texas Refinery April 28

Motiva Enterprises reported its Port Arthur, Texas refinery experienced an equipment failure on a process unit. Reuters, 17:33 April 28, 2016

Valero Reports Upset at Its 335,000 b/d Port Arthur, Texas Refinery April 29

Valero Energy Corp reported an upset which resulted in excess emissions and opacity at its Port Arthur, Texas refinery, according to a filing with the Texas Commission on Environmental Quality. Reuters, 10:26 April 29, 2016

Citgo Reports Coker Shut, Flaring after Power Blip at Its 157,500 b/d Corpus Christi West, Texas Refinery April 29

Citgo Petroleum Corp reported that the wet gas compressor on a coker unit tripped on loss of electrical supply, which resulted in flaring. Operations reported emergency shutdown procedures were initiated to safely shutdown the Reuters, 16:03 April 29, 2016
Reuters, 11:42 April 29, 2016

Enterprise Says It Has Ample Capacity to Ramp Up Gulf Coast Crude and Condensate Exports

Enterprise Products Partners said on Thursday that it has ample dock capacity to ramp up U.S. crude exports and could handle much more volume without further spending. Enterprise in December 2015 became the first company to announce it would export U.S. oil after Congress lifted the 40-year ban on doing so. The new opportunity to export crude from Enterprise's Houston Ship Channel docks came just as Enterprise expanded its Gulf Coast LPG export terminal to handle some 16 million barrels per month of LPG. Enterprise on Thursday said two-thirds of its oil exports are crude, while the remainder are condensate. The company expects that ratio to remain steady through the end of the year.

http://www.downstreamtoday.com/news/article.aspx?a_id=51967

Colonial Pipeline Plans Export Dock for Gasoline, Distillates in Port Arthur Texas

Colonial Pipeline Co. said on Friday it was proceeding with plans to connect its 3.2-million barrel Port Arthur Product Station (PAPS) terminal with a new dock and associated facilities at Port Arthur on the Texas Gulf Coast. Colonial expects to finish the project, which will accommodate Panamax-sized vessels, by the spring of 2017. The planned facility will give Colonial customers access to marine shipping via the southern-most segment of the Sabine-Neches Waterway. This waterway serves the commercial ports of Beaumont, Orange, and Port Arthur.

<http://www.colpipe.com/home/news-media/in-the-news/details?ID=f226ea27-d0b3-6eb4-9c07-ff00009907dd>

Reuters, 12:30 April 29, 2016

Natural Gas

DCP Midstream Reports Turbine Shut at Its 160 MMcf/d Goldsmith Gas Plant in Texas April 28

DCP Midstream reported turbine A shut due to high vibrations on probes 5 and 6 causing a flare event. The compressor was examined for indications of damage and it was determined that the turbine should not be run. Operations made adjustments to engines and gas was called out, ending the flare event.

<http://www2.tceq.texas.gov/oc/eer/index.cfm?fuseaction=main.getDetails&target=232367>

Pennsylvania DEP Investigating Earthquakes near Fracking Sites April 27

The Pennsylvania Department of Environmental Protection (DEP) announced April 27 that it is investigating the cause of a 1.9 earthquake that occurred on April 25 in Lawrence County near a Hilcorp Energy Co. site. State officials reported that the company stopped fracking operations at two wells and demobilized following the incident.

<http://powersource.postgazette.com/powersource/companies/2016/04/27/Pennsylvania-DEP-investigatingquakes-near-Hilcorp-Energy-fracking-shale-well-site-LawrenceCounty/stories/201604270180>

Other News

Nothing to report.

International News

Update: Oil Tanker Returning to Libya after United Nations Blacklisting April 28 – Rival NOC

The Indian-flagged Distya Ameya oil tanker is returning to Libya, the country's rival National Oil Corporation (NOC) said on Thursday. The U.N. Security Council Libya sanctions committee blacklisted the Distya Ameya on Wednesday after receiving a request from the Libyan U.N. ambassador. This requires states to ban it from entering any port. The ship left Libya's Marsa el-Hariga port late on Monday carrying 650,000 barrels of crude and was currently near Malta. A source close to the situation said the cargo will be offloaded at Zawiya and processed for use within the country.

<http://in.reuters.com/article/libya-oil-tanker-un-idINKCN0XP2C0>

Saudi Arabia to Ramp Up Oil Output to 10.5 Million b/d, Won't Flood Market – Industry Sources

Saudi Arabia's oil output will ramp up to near record highs in coming weeks to meet summer demand for power generation, but it is unlikely to be pushed to the limit and flood global markets, Saudi-based industry sources said. Production may rise to around 10.5 million b/d during summer, the sources said. Supply in April has held steady to slightly lower at about 10.15 million b/d, said three industry sources who monitor Saudi output. The predictions may help ease market fears that Saudi Arabia could steeply add to a global glut after production-freeze talks in Qatar this month collapsed following Riyadh's refusal to sign the deal without participation by Iran.

http://www.rigzone.com/news/oil_gas/a/144267/Sources_Saudis_To_Push_Oil_Output_Higher_But_Wont_Flood_Market#sthash.uUBvE1qL.dpuf

Energy Prices

U.S. Oil and Gas Prices			
April 29, 2016			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	45.93	42.68	58.50
NATURAL GAS Henry Hub \$/Million Btu	1.89	1.94	2.53

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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