



ENERGY ASSURANCE DAILY

Tuesday Evening, May 06, 2014

Electricity

Fire Shuts Colorado Springs Utilities' 254 MW Martin Drake Coal-fired Power Plant, Knocks Out Power to Over 22,000 Customers May 5

Over 22,000 people lost electricity for about 35 minutes on Monday due to a fire at Colorado Springs Utilities' (CSU's) Martin Drake power plant in downtown Colorado Springs, Colorado. The plant was shut due to the fire and CSU was forced to turn to a backup plant to restore power to thousands of customers. Police and firefighters had evacuated homes and businesses within three blocks of the plant during the fire. It would be at least 24 hours before it will be safe to enter the facility, the fire chief said at a Tuesday morning press conference, citing "smoldering insulation" and "structural integrity." On Tuesday afternoon, CSU reported the fire was mostly out, although some flames remained. The damage to Drake is broad, but still requires a full assessment to understand the full extent and cost. The cause of the fire is still under investigation. Colorado Springs Utilities said it was unclear when the plant would again generate power, but the company expected to be able to meet customer demand using other plants and would buy power from elsewhere if necessary. The company owns and operates 1,072 MW of generation capacity locally (including the Drake plant), purchases 89 MW under long-term power purchase agreements, and purchase power on the spot market depending on availability.

<https://www.csu.org/Pages/martin-drake-r.aspx>

<http://abcnews.go.com/US/wireStory/fire-contained-colorado-power-plant-injured-23595336>

<https://www.facebook.com/coloradospringsutilities>

NASA and Dominion Team Up to Pilot Space Weather Warning System to Understand Impact of Flares, Geomagnetic Disturbances on Electric Transmission Grid

NASA and Dominion Virginia Power are pairing up to better understand the impacts of solar flares and resulting geomagnetic disturbances on the electric transmission grid. A NASA team in the Goddard Space Flight Center in Greenbelt, Maryland, is building monitoring stations that will be placed under some of Dominion's high-voltage transmission lines to gather data about space weather with the goal of helping utilities mitigate the impacts of geomagnetic disturbances by knowing which systems might be affected. One of those stations will be about a mile away from the lines to provide a baseline comparison. Geomagnetically induced currents have been known to damage transformers, cause protective relays to operate incorrectly, and create voltage instability on the transmission system, which has at least once triggered power outages in North America.

<http://www.snl.com/InteractiveX/article.aspx?CDID=A-27972503-12842&KPLT=4>

Duke Seeks Cost Recovery from PJM for Purchasing High Cost Natural Gas to Meet Reliability Demands During Winter

Duke Energy Corp. filed a complaint on Monday with the Federal Energy Regulatory Commission (FERC) seeking recovery from PJM, the power grid operator for the U.S. Mid-Atlantic and Midwest regions, of monies spent to buy natural gas for its 568 MW Lee power plant in Illinois on January 27 for use the next day. This could be the first of many complaints filed by U.S. generators seeking recovery for fuel bought at extremely high cost to run power plants to meet grid operator demands for reliability during the winter. The New York ISO also ordered generators to buy natural gas at extremely high prices for power plants during this past cold winter and has been receiving complaints as well. Reuters, 14:32 May 5, 2014

Update: Entergy's 813 MW FitzPatrick Nuclear Unit in New York Ramps Up to 65 Percent by May 6

On the morning of May 5 the unit was operating at 50 percent, down from full power by May 4.

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

Duke Energy's 1,129 MW Catawba Nuclear Unit 1 in South Carolina Shut by May 6

On the morning of May 5 the unit was operating at 95 percent.

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

Update: Exelon's 850 MW Dresden Nuclear Unit 2 in Illinois Restarts by May 5, Ramps Up to 18 Percent by May 6

By the morning of May 5 the unit had restarted and was operating at 1 percent. Unit 2 automatically shut from full power on May 3 due to a main generator trip that occurred during a voltage regulator channel transfer.

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

Update: AES's 336 MW Alamosa Gas-fired Unit 4 in California Returns to Service by May 5

The unit returned from an unplanned outage that began by May 4.

<http://content.caiso.com/unitstatus/data/unitstatus201405051515.html>

Update: Dynegy, LLC's 325 MW Morro Bay Gas-fired Unit 3 in California Returns to Service by May 5

The unit returned from an unplanned outage that began by March 3.

<http://content.caiso.com/unitstatus/data/unitstatus201405051515.html>

Crockett Cogeneration LP's 240 MW Crockett Gas-fired Unit in California Shut by May 5

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201405051515.html>

Petroleum

Magellan Midstream to Proceed With 75,000 b/d Refined Petroleum Products Pipeline Project from Fort Smith to Little Rock, Arkansas

Magellan Midstream Partners, L.P. announced on Monday that it was proceeding with its pipeline project to deliver refined petroleum products to Little Rock, Arkansas, supported by commitments from its recent open season.

Magellan plans to transport up to 75,000 b/d of gasoline, diesel fuel, and jet fuel to Little Rock from its Ft. Smith, Arkansas terminal, providing the Little Rock market access to refined products from Mid-Continent and Gulf Coast refineries via Magellan's refined petroleum products pipeline system. Magellan has entered into an agreement with Ozark Gas Transmission, L.L.C., a subsidiary of Spectra Energy Partners, L.P., to utilize an existing 160-mile pipeline on a long-term basis for a portion of the route. In addition, Magellan will extend this existing pipeline to Magellan's Ft. Smith terminal and to the Little Rock market with approximately 50 miles of newly-constructed 12-inch pipe and make enhancements to its pipeline system to accommodate additional volumes. Magellan expects the Little Rock pipeline to be operational in early 2016 subject to regulatory and other approvals.

<http://www.magellanlp.com/magellannews.aspx?id=2147483941>

Update: Citgo Says FCCU Back Online, Operations Normal at Its 163,000 b/d Corpus Christi Refinery May 5

Citgo Petroleum Corp. said on Monday a 69,000 b/d fluidic catalytic cracking unit (FCCU) was back online at its Corpus Christi, Texas, refinery and was operating normally. The largest of the two FCCUs at the refinery was shut May 1 after a hole was found in a line that carries spent catalyst from a regenerator to the reactor within the unit.

Reuters, 15:38 May 5, 2014

ExxonMobil Says Minimum Production Impact Due to Offsite Pipeline Issue at Its 344,500 b/d Beaumont, Texas Refinery May 5

ExxonMobil Corp. said on Monday there was minimal impact to production due to an offsite pipeline issue which caused flaring at its Beaumont, Texas, refinery.

Reuters, 19:09 May 5, 2014

Update: Shell Says Operations Normal at Its 145,000 b/d Puget Sound Refinery in Anacortes, Washington May 5

Royal Dutch Shell Plc said operations at its Puget Sound refinery in Washington returned to normal following a malfunction on April 30. The refinery had reported a fluid catalytic cracking unit upset in a filing with the Northwest Clean Air Agency made public on Monday.
Reuters, 21:00 May 5, 2014

Shell Restarting Unit at Its 255,000 b/d Scotford Upgrader Facility in Alberta May 5

Royal Dutch Shell was restarting an unspecified unit at its Scotford oil sands upgrader near Edmonton, Alberta, it said in a message posted on a community information line on Monday. There may be intermittent flaring and noise over the next 48 hours, and there is no material impact on production from the activity, the message said.
Reuters, 22:27 May 5, 2014

Natural Gas

Update: Williams' Opal Gas Processing Plant in Wyoming Returns to Service May 5 after Fire April 23

Williams Partners' Opal Gas-Processing plant in Wyoming returned to service processing capacity of approximately 1.1 Bcf/d of natural gas, following a full shutdown April 23 due to a fire. Four cryogenic processing trains were operating and a fifth unit, where the fire occurred, remained out of service. The total capacity of the four operating trains was sufficient to meet customer needs. The two units most recently placed back in service, TXP-4 and TXP-5, have a combined design processing capacity of 700 MMcf/d. TXP-4 was idle at the time of the incident, serving as excess capacity for the facility. TXP-1 and TXP-2 were placed back in service last week and have a combined design processing capacity of 395 MMcf/d. The company, in coordination with regulatory agencies, continues to investigate the cause of the incident. Damage was limited to a small area of TXP-3.

<http://co.williams.com/williams/news-media/opal-wy-update/>

ConocoPhillips Says First LNG Tanker since Reactivation Arrives at Its Nikiski, Alaska LNG Export Terminal May 2

ConocoPhillips said the first liquefied natural gas (LNG) tanker arrived Friday morning at its LNG export terminal at Nikiski, Alaska, since its reactivation this spring. The liquefaction plant near Kenai had been in a suspended status since late 2012. On April 14 the company received authorization from the U.S. Department of Energy to export 40 billion cubic feet of liquefied natural gas over a two-year period to Free Trade Agreement (FTA) countries and non-FTA countries

<http://www.platts.com/latest-news/shipping/anchorage/conocophillips-says-first-lng-tanker-arrives-21569515?sf2834067=1>

<http://alaska.conocophillips.com/newsroom/news-releases/Pages/Kenai-LNG-Plant-to-Resume-Exports-This-Spring.aspx>

Midwestern Gas Transmission Withdraws FERC Application for 15-mile Natural Gas Pipeline Lateral Project in Kentucky

ONEOK Partners, L.P. announced on Monday that its subsidiary, Midwestern Gas Transmission Company, withdrew its application with the Federal Energy Regulatory Commission (FERC) to enter into the pre-filing process for the previously announced proposed development of an approximately 15-mile natural gas pipeline lateral in Ohio and Muhlenberg Counties in Kentucky, as it was unable to reach an agreement with its customer. Midwestern Gas Transmission is an approximately 400-mile natural gas pipeline that provides bidirectional natural gas services to markets in Tennessee, Kentucky, Indiana, southern Illinois, and the Chicago market hub.

http://ir.oneokpartners.com/phoenix.zhtml?c=104562&p=irol-newsArticle_Print&ID=1927046&highlight

Other News

Nothing to report.

Libya's Oil Output at 250,000 b/d as New Protests Hit East May 5

Libya's oil production was at 250,000 b/d while the vital 340,000 b/d El Sharara oilfield in the southwest remained closed, a spokesman for state-run National Oil Corp (NOC) said on Monday. Tribesmen in the past few days ended a blockade of the El Sharara oilfield but production cannot resume until a separate protest over financial and political demands at a connecting pipeline in the western Zintan region is resolved. In addition, a new protest shut the Zultun and Raquba oilfields in central eastern Libya, halting their combined output of 39,000 b/d, the NOC spokesman said.

http://www.rigzone.com/news/oil_gas/a/132919/Libyan_Oil_Output_Is_250000_Bpd_As_New_Protest_Hits_East#sthash.ESnJ1fJF.dpuf

Russia Stopped Diesel Shipments via Pipeline to Ukraine, Hungary Last Month

Russia's Transneft stopped diesel shipments to Ukraine and Hungary last month due to uncertainties over the pipeline's ownership, a company spokesman said on Monday. Flows via the pipeline, which meets around a third of Ukraine's diesel demand, have been suspended as violence rages in Ukraine. However, Transneft said its decision was unrelated to the Ukraine crisis. A spokesman said Transneft started work to mothball the pipeline just before an April 25 court hearing in Ukraine, in which the Ukrainian prosecutor's office claimed ownership over the pipeline. The pipeline shipped over 30,000 b/d of oil products last year.

Reuters, 10:55 May 5, 2014

Energy Prices

U.S. Oil and Gas Prices			
May 6, 2014			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	100.52	101.64	95.50
NATURAL GAS Henry Hub \$/Million Btu	4.72	4.78	3.98

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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