



ENERGY ASSURANCE DAILY

Monday Evening, May 11, 2015

Electricity

Entergy's 1,031 MW Indian Point Nuclear Unit 3 in New York Shut Indefinitely Due to Transformer Fire May 9

Entergy said Monday its Indian Point unit 3 could return to service in a few weeks after it was shut on Saturday due to a fire in one of two main electric transformers at the plant. Officials said the plant was stable and Unit 2 continued to operate. The Nuclear Regulatory Commission (NRC) said the fire had been quickly extinguished and designated the incident an "unusual event," which is the lowest of four categories the agency gives to potential safety or security threats at nuclear plants. Entergy said the plant was stable and there was no danger to the public or to employees. Some oil however did escape from a crack in the transformer and leaked into the Hudson River. Entergy set up booms to contain the oil and hired a contractor to clean up the spill. On Friday, Entergy returned Unit 3 back to service after shutting it down the previous day to repair a steam leak on the non-nuclear side of the plant.

<http://www.energynewsroom.com/latest-news/indian-point-unitsafely-shutdown-following-failure-transformer/>
Reuters 21:47 May 9, 2015

FirstEnergy's 882 MW Davis-Besse Nuclear Unit in Ohio Shut Due to Steam Leak May 9

A steam leak shut the Davis-Besse Nuclear Power Plant, from full power, on Saturday night, and the plant remained closed Sunday as operators tried to make repairs and reopen the facility. The company said officials were looking at repairs needed on a pipe in a non-radioactive part of the plant and the plant would remain shut while workers repair the leak. The steam leak was in a turbine area, with the pipe preheating the water used in the plant. A company spokesperson said electricity was available from other sources and customers shouldn't be affected.

<https://twitter.com/DavisBesse>

<http://www.thenews-messenger.com/story/news/local/2015/05/10/davis-besse-shuts-steam-leak/27097465/>
<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2015/>
<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2015/20150511en.html>

Update: Exelon's 802 MW Three Mile Island Nuclear Unit 1 in Pennsylvania Restarts by May 9, Ramps Up to 90 Percent by May 11

The unit was shut May 6 when a problem developed with an electrical component that operates one of the control rods in the reactor.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2015/>
http://lancasteronline.com/news/local/control-rod-problem-causes-shutdown-of-three-mile-island-reactor/article_9f76afbc-f3fd-11e4-a417-8f9a11a59588.html

Update: NMC's 522 MW Prairie Island Nuclear Unit 1 in Minnesota Restarts by May 9, Ramps Up to 96 Percent by May 11

The unit was shut from full power on April 7 due to inadvertent emergency siren activation.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2015/>
<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2015/20150408en.html>

Dynegy, LLC's 756 MW Moss Landing Gas-fired Unit 7 in California Reduced by May 9

The unit entered an unplanned curtailment of 356 MW.

<http://content.caiso.com/unitstatus/data/unitstatus201505091515.html>

Watson Cogeneration Company's 417 MW Gas-fired Unit in California Reduced by May 9

The unit entered an unplanned curtailment of 227 MW.

<http://content.caiso.com/unitstatus/data/unitstatus201505091515.html>

Update: AES's 175 MW Redondo Gas-fired Unit 6 in California Returns to Service by May 9

The unit returned from an unplanned outage that began by May 5.
<http://content.caiso.com/unitstatus/data/unitstatus201505091515.html>

Update: Solar Partners II, LLC's 123 MW Ivanpah Solar Unit 1 in California Returns to Service by May 8

The unit returned from an unplanned outage that began by May 5.
<http://content.caiso.com/unitstatus/data/unitstatus201505081515.html>

PG&E's 122 MW Caribou Aggregate Hydro Units 4 and 5 in California Shut by May 10

The units entered a planned and unplanned outage.
<http://content.caiso.com/unitstatus/data/unitstatus201505101515.html>

Car Accident Knocks Out Power to 14,000 Tampa Electric Customers in Florida May 8

Tampa Electric reported 14,000 customers were lost power on Friday evening when a car crashed into a utility pole. The company said it switched most customers to other power sources and restored power by Saturday morning.
<https://twitter.com/tampaelectric>
<http://www.tampabay.com/news/publicsafety/accidents/car-accident-at-nebraska-avenue-and-bird-street-cuts-power-to-14000-tampa/2228947>

Petroleum

Update: BNSF Reopens Track after Fiery Oil Train Derailment in North Dakota May 8

BNSF Railway resumed shipments Friday along a track in North Dakota two days after a fiery oil train derailment. The mainline through the town of Heimdal reopened after six derailed tank cars were removed and a section of damaged track was repaired and inspected, BNSF's Vice President said. The state Health Department says the railroad was making progress on cleaning up the oil that didn't burn in the Wednesday wreck. The railroad estimates that about 34,000 gallons of oil burned in the fire, and another 60,000 gallons spilled from the tankers, the state Health Department Environmental Health chief said Friday. After the fire was out, the rest of the oil was transferred from the tankers to trucks to be shipped out. The 109-car unit train was hauling crude oil from the Bakken oil patch in western North Dakota when six tank cars filled with about 180,000 gallons of oil went off the tracks and caught fire on Wednesday morning.
http://www.downstreamtoday.com/news/article.aspx?a_id=47599
<http://www.ndhan.gov/data/mrNews/2015-05-08-Heimdal%20Water%20Quality%20NR-v.FINAL.pdf>

PES Reports Unit Startup, Shutdowns at Its 335,000 b/d Philadelphia, Pennsylvania Refinery

Philadelphia Energy Solutions (PES) said the cumene unit started up and was put into circulation on May 6. PES said the CO boiler and unit 8733 were both shut due to a mechanical problem on May 1.
Reuters, 16:16 May 8, 2015

ExxonMobil Says Operations Normal after Hydrocarbon Leak at Its 502,500 b/d Baton Rouge, Louisiana Refinery May 10

Reuters, 12:10 May 11, 2015

Citgo Reports Coker Blend Oil Spill at Its 427,800 b/d Lake Charles, Louisiana Refinery May 11

Citgo Petroleum Corp reported a discharge of coker blend oil from a ruptured blend oil line on Saturday at its Lake Charles, Louisiana refinery, according to a filing with the National Response Center.
Reuters, 10:23 May 11, 2015

Phillips 66 Says Restart of Its 247,000 b/d Alliance, Louisiana Refinery Completed May 11 after Power Outage May 8

Reuters, 10:19 May 11, 2015

Shell Says Operations Normal at Its Norco, Louisiana Facility May 11 after Operational Upset May 9

Shell said normal operations have resumed at its Norco manufacturing complex in Louisiana after an operational upset on Saturday which led to flaring. Motiva Enterprises houses a 238,000 b/d refinery and a chemical plant in its Norco facility. Motiva is a 50-50 joint venture between Royal Dutch Shell Plc and Saudi Aramco.
Reuters, 11:24 May 11, 2015

Valero Restoring CDU to Full Production at Its 125,000 b/d Meraux, Louisiana Refinery May 8 – Sources

Valero Energy Corp was restoring the sole crude distillation unit (CDU) to full production at its Meraux, Louisiana, refinery on Friday, sources said. Production on the unit was cut back last Monday by 60,000 b/d for repairs to a heater, the sources said. The sources said the CDU could be back to full production by late Saturday if there are no problems with the repaired heater or in the process of restoring normal operation.
Reuters, 19:07 May 8, 2015

Phillips 66 Reports Flaring Due to Loss of Pump at Its 336,000 b/d Wood River, Illinois Refinery

Reuters, 9:44 May 11, 2015

Flint Hills Restarts Cogeneration Unit at Its 293,000 b/d Corpus Christi, Texas Refinery May 10

Flint Hills Resources reported the cogeneration unit shutdown unexpectedly due to high vibrations. While restarting the unit, the refinery experienced high nitrogen oxide emissions, according to a filing with the Texas Commission on Environmental Quality.
Reuters, 11:13 May 11, 2015

BP Reports Unit Startup, Emissions at Its 225,000 b/d Cherry Point, Washington Refinery May 9

BP PLC reported emissions due to an unspecified start up on Saturday at its Cherry Point, Washington refinery.
Reuters, 10:23 May 11, 2015

Tesoro Says Its 166,000 b/d Martinez, California Refinery Running Normally May 11 after Compressor Shutdown May 9

Reuters, 10:26 May 11, 2015

Tesoro's 360,000 b/d Washington Railport Likely Pushed Back to 2016 – CEO

Tesoro Corp's proposed railport project in Washington state will likely be pushed to next year as it undergoes a "painfully slow" government review process, the company's CEO said on Friday. The project would be the biggest in the U.S., moving U.S. and Canadian oil via rail to the Port of Vancouver where it would be loaded onto vessels to supply West Coast refineries, mainly in California. Tesoro originally had hoped to begin operations in late 2014, and then pushed initial startup to mid-2015. A Washington state council has begun a trial-like adjudication process as part of its review of the Tesoro project, and its environmental impact statement is slated to be released in mid-2015, later than the May time frame Tesoro had previously expected. The council will then submit its recommendation to Washington Governor Jay Inslee, who has the final say on whether the railport will be built. He has two months from the date he receives the recommendation to decide.

http://www.downstreamtoday.com/news/article.aspx?a_id=47607

Permian Basin Sees First Rig Increase Since December 2014 – Baker Hughes

U.S. oil drillers added rigs to the Permian Basin for the first time this year, industry data showed on Friday. That was the first increase in the Permian since December, oil services company Baker Hughes Inc said on Friday. Overall, the number of active oil rigs declined for the 22nd week in a row, but the rate of that decline has slowed in recent weeks, suggesting the collapse in drilling may be coming to an end as prices recover after falling 60 percent from June to March. The number of rigs drilling for oil fell by 11 this week to 668 – the smallest drop since early April – after declining 24 and 31 in the prior two weeks, Baker Hughes said.

http://www.rigzone.com/news/oil_gas/a/138501/Baker_Hughes_Permian_Basin_Sees_First_Rig_Increase_Since_Oil_Rout#sthash.jriiZ7mo.dpuf

BP Wins Right to Appeal Some Damage Claims from 2010 Deepwater Horizon Spill in Gulf of Mexico

A U.S. federal appeals court said on Friday BP Plc deserves the right to appellate review of select damage claims awarded to people and businesses in connection with the 2010 Gulf of Mexico oil spill. The decision by the 5th U.S. Circuit Court of Appeals in New Orleans could help BP limit its payout to victims of the explosion of the Deepwater Horizon drilling rig, which killed 11 workers and caused the largest U.S. offshore oil spill. BP originally expected to pay \$7.8 billion to resolve claims under a 2012 settlement, but by late April it had boosted its estimate to \$10.3 billion, according to a regulatory filing. About \$5.13 billion has been paid out so far to 63,597 claimants. In addition, BP is awaiting a decision from U.S. District Judge Carl Barbier assessing penalties under the federal Clean Water Act over the spill. BP has already obligated \$43.8 billion in pre-tax charges for clean-up and other costs. Reuters, 19:18 May 8, 2015

Natural Gas

New England Utilities Buy LNG from Distrigas to Meet Peak 2015/16 Winter Demand

Distrigas said Monday it entered into a series of contracts to sell about 9.5 Bcf of liquefied natural gas (LNG) from its Everett, Massachusetts LNG Import terminal to New England utilities. The LNG will help the utilities meet peak demand for gas during the winter of 2015/2016 and beyond, Distrigas said. The LNG will be delivered over the summer and stored by the utilities until required this winter, the company said. Distrigas said it will supply a large New England gas utility with 6 Bcf of LNG this year and at least 3 Bcf of LNG per year from 2016–2024. Distrigas said for both the short- and long-term contracts, the LNG will be trucked from the Distrigas Everett LNG terminal just north of Boston to the utilities' LNG facilities across New England. Deliveries began in April. Reuters, 10:49, May 11, 2015

Canada's NEB Approves LNG Export License for WesPac Midstream

The National Energy Board (NEB) approved the application of WesPac Midstream – Vancouver LLC (WesPac) for a 25-year natural gas export license with a maximum term quantity of 116.44 billion cubic metres. The issuance of this license is subject to the approval of the Governor in Council. The NEB determined that the quantity of gas proposed to be exported by WesPac is surplus to Canadian needs. The NEB is satisfied that Canada's gas resource base, and the overall gas resource base in North America, is large and can accommodate reasonably foreseeable Canadian demand. This demand would include the LNG exports proposed by WesPac as well as a plausible potential increase in Canadian demand. The approved export points include the outlet of the loading arm at the WesPac LNG Marine Terminal in Delta, British Columbia (B.C.); the marine cargo terminals in the metropolitan area of Vancouver, B.C.; as well as the highway border crossings along the international boundary between B.C. and the U.S.

[http://news.gc.ca/web/article-](http://news.gc.ca/web/article-en.do?mthd=tp&ctr.page=1&nid=972719&crtr.tp1D=1&_ga=1.195336164.931706767.1430766172)

[en.do?mthd=tp&ctr.page=1&nid=972719&crtr.tp1D=1&_ga=1.195336164.931706767.1430766172](http://news.gc.ca/web/article-en.do?mthd=tp&ctr.page=1&nid=972719&crtr.tp1D=1&_ga=1.195336164.931706767.1430766172)

Update: ANR Pipeline Lifts Force Majeure on Its Michigan Leg South Segment in Indiana May 11

ANR Pipeline Co lifted the force majeure that was put in effect May 4 for all natural gas transactions on its Michigan leg south segment as a result of housing developments along its 22- and 30-inch lines near the town of St. John, Indiana. ANR Pipeline said it was required to replace a section of pipeline near St. John, Indiana in order to maintain its certificated capacity and meet PHMSA pipeline classification requirements along that location. ANR connects markets in Wisconsin, Michigan, Illinois, and Ohio with supplies from Texas, Oklahoma, and the Gulf of Mexico through its 9,400 miles of natural gas pipeline.

<http://anrebb.transcanada.com/>

Targa Reports AGC Shut, Flaring at Its 150 MMcf/d Sand Hills Gas Plant in Texas May 10

Targa reported the acid gas compressor (AGC) C-14, shut down due to high inlet air temperature. A water leak developed in a tubing connection for the jacket water system. This routed acid gas to the emergency acid gas flare, F-4. The leaking tubing fitting was cut off and replaced. The AGC was restarted and flaring at the emergency acid gas flare ceased.

<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=213836>

DCP Midstream Reports Turbine Shut at Its 160 MMcf/d Goldsmith Gas Plant in Texas May 8

DCP Midstream reported turbine B shut due to loss of enclosure fans. Electricians were troubleshooting the problem.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=213801>

Other News

BOEM Conditionally Approves Shell's Revised Exploration Plan in Chukchi Sea

Today, the Bureau of Ocean Energy Management (BOEM) conditionally approved Shell Gulf of Mexico, Inc.'s revised multi-year Exploration Plan (EP) for the Chukchi Sea adjacent to the northwest border of Alaska. The conditions of approval require that Shell obtain all necessary permits from other state and federal agencies, including drilling permits from the Bureau of Safety and Environmental Enforcement (BSEE), appropriate authorizations under the Marine Mammal Protection Act, and Biological Opinions compliance under the Endangered Species Act. The EP describes all exploration activities planned by the operator, including the timing of these activities, information concerning the drilling vessels, the location of each planned well, and actions to be taken to meet important safety and environmental standards for protecting workers, resources, and wildlife. In accordance with the National Environmental Policy Act, the review of the EP included the preparation of an Environmental Assessment and a subsequent finding of no significant impacts. Shell's revised EP proposes the drilling of up to six wells within the Burger Prospect, located in approximately 140 feet of water about 70 miles northwest of the village of Wainwright, Alaska. Shell will conduct its operations using the drillship M/V Noble Discoverer and the semi-submersible drilling unit Transocean Polar Pioneer, with each vessel providing relief-well capability for the other. The two drilling units and their supporting vessels will depart the Chukchi Sea at the conclusion of each exploration drilling season.

<http://www.boem.gov/press05112015/>

<http://www.boem.gov/shell-chukchi/>

International News

Nothing to report.

Energy Prices

| U.S. Oil and Gas Prices | | | |
|--|--------------|-----------------|-----------------|
| May 11, 2015 | | | |
| | Today | Week Ago | Year Ago |
| CRUDE OIL West Texas Intermediate U.S. \$/Barrel | 58.97 | 58.71 | 100.25 |
| NATURAL GAS Henry Hub \$/Million Btu | 2.77 | 2.67 | 4.74 |

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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