



ENERGY ASSURANCE DAILY

Tuesday Evening, May 21, 2013

Electricity

Devastating Tornado Knocks Out Power to 38,000 OG&E Customers in Oklahoma May 20; More Than 27,000 Remain without Service May 21

Oklahoma Gas & Electric Co. has begun to assess damage to its electric grid following Monday's devastating 2-mile wide tornado near Oklahoma City, according to a spokesman. The utility has also called on outside utilities to help restore power in the area. About 38,000 of its customers were without power early Monday evening, with the most outages in Moore, the site where the tornado touched down Monday. As of 3:30 p.m. EDT today, the utility reported 27,001 customers remained without power.

<http://public.oge.com/systemwatch/SystemWatch.swf?startMapID=1>

<http://www.reuters.com/article/2013/05/21/utilities-oge-tornado-idUSL2N0E200920130521?feedType=RSS&feedName=marketsNews&rpc=43>

Severe Storms Cut Power to 22,000 Duke Energy and Indianapolis Power & Light Customers in Indiana May 20–21

Severe overnight storms cut power to more than 22,000 Duke Energy and Indianapolis Power & Light (IPL) customers by Tuesday morning, according to news reports. As of 3:30 p.m. EDT today, 2,682 Duke Energy customers and 331 IPL customers remained without power.

<http://www.duke-energy.com/indiana/outages/current.asp>

<http://apps.iplpower.com/outages/outagemap.aspx>

<http://www.indystar.com/article/20130521/NEWS/305210009/Thousands-without-power-across-Indiana>

Equipment Failure Cuts Power to Nearly 25,000 Entergy Customers in Louisiana May 20

Entergy reported an equipment failure at its Willow Glen switchyard in Baton Rouge cut power to 24,832 customers Monday night. As of 3:30 p.m. EDT today, 147 customers remained without power. The utility was working to pick up the load while operators made the necessary repairs, and expected to restore power to all its affected customers by 10:00 p.m. CDT tonight.

<http://viewoutage.entergy.com/la.aspx>

<http://www.wafb.com/story/22302751/more-than-20000-homes-without-power-mostly-in-ascension-parish>

Update: NRC Indefinitely Delays Restart Decision for SCE's San Onofre Nuclear Power Plant in California

The U.S. Nuclear Regulatory Commission (NRC) has indefinitely delayed a decision on the proposed restart of Southern California Edison's (SCE) shuttered San Onofre nuclear power plant in California, raising new questions Monday about whether the twin reactors will produce electricity again. Both units at San Onofre have been shut since January 2012, when operators discovered premature tube wear in the steam generators. The NRC must approve plans to restart each unit. The commission had initially estimated it could issue a restart determination for Unit 2, which has less damage than Unit 3, in early April 2013. That date was later delayed until late May, and then mid-June, and now the commission has given no date for a restart decision—saying only that a date is “to be determined.”

<http://www.nrc.gov/info-finder/reactor/songs/tube-degradation.html>

<http://www.nrc.gov/info-finder/reactor/songs/songs2/upcom-mileston.html>

<http://finance.yahoo.com/news/feds-again-delay-san-onofre-172036479.html>

Entergy Reports Fire in Turbine Building at Its 693 MW Pilgrim Nuclear Unit 1 in Massachusetts May 20

Entergy Nuclear reported that early Monday morning, operators at its Pilgrim nuclear station responded to indications of a fire in the Turbine Building Lubricating Oil Room, according to filing with the U.S. Nuclear Regulatory Commission. An onsite fire-response team extinguished the small fire, which was associated with the 'A' Auxiliary Oil Pump Motor. The plant was in start-up at the time of the event, following a planned refueling and maintenance outage. The plant is in a safe condition and plant personnel are investigating the cause. The plant will be restarted after a thorough evaluation and any necessary repairs are completed.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2013/20130521en.html>

Update: Calpine's 751 MW Pastoria Natural Gas-Fired Unit in California Returns to Service by May 20

The unit returned from an unplanned curtailment of 273 MW that began by May 19.

<http://content.caiso.com/unitstatus/data/unitstatus201305201515.html>

Update: AES's 496 MW Redondo Natural Gas-Fired Unit 8 in California Returns to Service by May 20

The unit returned from an unplanned outage that began by May 19.

<http://content.caiso.com/unitstatus/data/unitstatus201305201515.html>

Delta Energy Center's 880 MW Delta Aggregate Natural Gas-Fired Unit in California Reduced by May 20

The unit entered a curtailment of 300 MW that was due to both planned and unplanned causes.

<http://content.caiso.com/unitstatus/data/unitstatus201305201515.html>

Petroleum

Petroleum Infrastructure Spared by Devastating Tornado in Oklahoma May 20

Petroleum infrastructure in Oklahoma escaped unscathed by a 2-mile wide tornado that ripped through Moore, Oklahoma on Monday. Operations were unaffected at the crude storage hub in Cushing. Valero Energy Corp. said its 87,400 b/d Ardmore, Oklahoma refinery was not affected by the severe weather. Phillips 66 said the same about its 198,400 b/d refinery in Ponca City. Enterprise Products Partners reported no impacts to its operations in Oklahoma, which include the 400,000 b/d Seaway crude oil pipeline that carries crude from Cushing to the Texas Gulf Coast.

Reuters, 11:07 May 21, 2013

Update: Phillips 66 Resumes Normal Operations at Its 247,000 b/d Sweeny, Texas Refinery by May 20

Phillips 66 on Monday said it has resumed normal operations at its Sweeny refinery after taking several days to restart process units impacted by a power failure on May 11.

Reuters, 10:16 May 20, 2013

Citgo Reports Process Unit Upset at Its 163,000 b/d Corpus Christi, Texas Refinery May 17

Citgo Petroleum Corp reported a unspecified process unit upset at its Corpus Christi refinery on Friday, according to a filing with Corpus Christi/Nueces County Local Emergency Planning Committee.

Reuters, 17: 16 May 17, 2013

Compressor Failure Causes Flaring at Citgo's 167,000 b/d Lemont, Illinois Refinery May 18

Citgo Petroleum Corp. reported an unspecified compressor failure at its Lemont refinery Saturday night triggered flaring for about 20 minutes, according to a filing with Illinois pollution regulators.

Reuters, 12:45 May 19, 2013

Shell Reports Unit Startup, Shutdown at Its 145,000 b/d Anacortes, Washington Refinery May 15; Power Outage Due to Subsequent Ongoing Unit Upsets

Shell Oil reported the start-up of co-gen unit 1 and the shutdown of co-gen unit 2 at its Anacortes refinery on May 15, according to a filing with the Northwest Clean Air Agency. The company also reported a power outage at the refinery was due to subsequent ongoing unit upsets.

Reuters, 18:55 May 17, 2013

Phillips 66 Reports Wet Gas Scrubber Stack Emissions at Its 225,000 b/d Cherry Point, Washington Refinery May 13

Phillips 66 reported emissions of sulfur dioxide and carbon monoxide from a wet gas scrubber stack at its Cherry Point refinery on May 13, according to a filing with the Northwest Clean Air Agency on Friday.

Reuters, 18:57 May 17, 2013

Tesoro Restarts Units at Its 156,400 b/d Martinez, California Refinery May 17 after Power Outage May 16

Tesoro Corp. reported two major unit startups at its Martinez refinery on Friday, a day after it experienced a power outage that affected the boiler house and led to unit shutdowns, according to a filing with Contra Costa Health Services. The cause of the power outage at the refinery was still unknown Friday. In a separate filing on Friday, the company reported flaring at the refinery was due to the restart of two more major refinery units.

Reuters, 12:15 May 17, 2013

Valve Leak Releases Ammonia at Chevron's 245,271 b/d Richmond, California Refinery May 17-18

Chevron Corp. reported a valve leak at its Richmond refinery released ammonia from May 17 to May 18, according to a filing with California Emergency Management Agency. Operators have completed repairs, the filing said.

Reuters, 19:36 May 20, 2013

Amine Unit Snag Causes Flaring at Valero's 135,000 b/d Wilmington, California Refinery May 18

Valero Energy Corp. reported flaring at its Wilmington refinery late Saturday was due to a brief issue with an amine unit. The incident had no material impact on production, a spokesman said.

Reuters, 09:46 May 20, 2013

Tesoro Receives FTC Clearance for Purchase of BP's Southern California Refining and Marketing Business; Plans to Combine, Reconfigure Two Existing Los Angeles Refineries

Tesoro Corporation on May 17 announced that the Federal Trade Commission (FTC) has cleared the company's planned acquisition of BP's fully integrated Southern California Refining and Marketing business, and that Tesoro intends to close the acquisition during the second quarter, subject to customary closing conditions. The clearance from the FTC came without any impacts to the assets or operations in the transaction as announced in August of last year. Upon closing the transaction, Tesoro will begin the process of combining and reconfiguring the two West Coast systems, including creating one Los Angeles refining complex by combining its existing Los Angeles refinery with the newly acquired and adjoining Carson refinery.

<http://phx.corporate-ir.net/phoenix.zhtml?c=79122&p=irol-newsArticle&ID=182172>

WEC to Build Whitetail Refinery in Texas to Serve Production from the Eagle Ford Shale

Worldwide Energy Consortium, Inc. (WEC) on Monday announced that it will begin the initial engineering and permitting phase of a project to build a new refinery in La Salle County, Texas. The site was chosen to take advantage of oil production from the Eagle Ford Shale play. The Whitetail Refinery is expected to be operational by the last quarter of 2014.

<http://worldcorp.com/whitetail-refinery-news/>

Barge Hits 6-Inch Harvest-Marks Crude Oil Pipeline in Louisiana May 16, Spilling 100 Barrels of Crude Oil into Inland Waterway off Mississippi River

Harvest-Marks Pipeline, LLC reported a barge hit its 6-inch crude oil pipeline in Venice, Louisiana early Thursday, causing a spill of about 100 barrels of crude oil into an unspecified inland waterway off the Mississippi River, according to a filing with the U.S. National Response Center. Operators secured the release, adding that there was still some residual in the line.

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1047355

Update: Enbridge to Begin Construction on Its 600,000 b/d Flanagan South Crude Oil Pipeline from Illinois to Cushing by Mid-Year

Enbridge Inc. reported it's aiming to begin construction of the 600,000 b/d Flanagan South Pipeline Project in the next few months. The project will build a nearly 600-mile, 36-inch interstate crude oil pipeline originating in Flanagan, Illinois and terminating in Cushing, Oklahoma. The majority of the pipeline will parallel Enbridge's existing Spearhead crude oil pipeline right-of-way. The company has also proposed to install seven pump stations, including one at the Flanagan terminal and six along the pipeline route. Enbridge said the project is needed to bring increased North American crude oil production to refinery hubs along the U.S. Gulf Coast. The company hopes to bring the pipeline into service by mid-2014.

www.enbridge.com/flanagansouthpipeline.

<http://examiner-enterprise.com/sections/news/business/pipeline-expected-bring-jobs-osage-county.html>

Five Canadian Pacific Tankers Hauling Western Canadian Crude Derail in Saskatchewan May 21; One Car Spills Oil

Canadian Pacific Railway Ltd. said five tankers containing Western Canadian crude oil derailed on Tuesday morning near Jansen, Saskatchewan, and that one of the cars was leaking crude. The cars were on an eastbound mixed-freight train when the incident occurred. This marks the third spill for the company in 2 months, after one train derailed near Parkers Prairie, Minnesota in late March, spilling 360 barrels of Canadian crude, and another derailed a week later in northern Ontario, spilling 400 barrels of oil. Canadian Pacific said it doesn't yet know how much oil spilled from the leaking tanker this morning, but a spokesman said the oil has been contained at the site of the derailment.

Reuters, 12:06 May 21, 2013

Update: Enbridge Eases on Threat to Shut 80,000 b/d Berthold Oil Rail Terminal in North Dakota over Hydrogen Sulfide Dispute

Enbridge Energy Partners, which had said last week it may be forced to shut down an 80,000 b/d oil loading rail terminal in North Dakota unless the amount of hydrogen sulfide in crude oil delivered to the facility is reduced, now says it will accept shipments of the crude if it is notified in advance. In a filing with the U.S. Federal Energy Regulatory Commission (FERC) on Friday, Enbridge said it will accept the crude shipments with advance notice, if it can safely accommodate the oil, but it "reserves the right to shut down such injection facility and may seek reimbursement for any damages caused by unauthorized delivery."

Reuters, 18:29 May 20, 2013

<http://elibrary.ferc.gov/idmws/common/OpenNat.asp?fileID=13262232>

Genesis to Expand Existing Natchez, Mississippi Rail Facility and Construct New Unit Train Rail Facility in Wyoming

Genesis Energy, L.P. today announced it will expand its existing rail terminal in Natchez, Mississippi, which is designed to handle straight and/or minimally diluted bitumen delivered by the Canadian National Railway, and construct a new unit train loading facility. At the Natchez terminal, Genesis is finalizing Phase I of the facility, which includes 40 railcar spots to be completed in June 2013. Due to significant demand for the flexible capacity at the facility, Genesis is moving forward with a Phase II expansion to provide an additional 60 railcar spots and additional heated tanks to be fully operational in late 2013. In addition, Genesis has begun construction of the new Pronghorn Rail Facility, a new unit train loading facility in the heart of the Powder River Basin of the Niobrara Shale Play. The facility will be tied-in to Genesis' existing gathering system in the region and is expected to be fully operational in late 2013.

http://www.genesisenergy.com/assets/Investors/Press_Releases/2013-05-21.pdf

Southern Star Declares Force Majeure on Natural Gas Pipeline Segment 340 in Oklahoma after Tornado Causes Damage May 20

Southern Star Central Gas Pipeline Inc. late Monday declared force majeure on the Line 340 segment of its interstate natural gas pipeline near Cement, Oklahoma after a devastating tornado caused the pipeline to break away from its braces on a bridge in the area. Southern Star immediately isolated the impacted pipeline segment and depressurized and blew the gas from the line. Several receipt and delivery points will be unavailable until further notice, including the receipt point from DCP Midstream's 38 MMcf/d Mustang gas processing plant. The pipeline did not crack, leak, or rupture, and continues to be intact, and Southern Star said that reports indicate it may be safely operated to carry gas to customers. Repairs to the impacted section of line will begin as soon as it is possible to safely do so. The nearly 6,000-mile Southern Star Central Gas Pipeline system spans the Midwest and mid-Continent, including parts of Kansas, Oklahoma, Missouri, Wyoming, Colorado, Texas, and Nebraska. The 2.4 Bcf/d line interconnects with 23 pipelines.

Reuters, 10:34 May 21, 2013

<https://csi.sscgp.com/PublicArea/NotificationDisplay.aspx?noticeID=5775>

<http://www.heraldonline.com/2013/05/21/4880774/southern-star-continues-safe-operations.html>

Regency Reports AGC Unit Shutdowns at Its 290 MMcf/d Waha Gas Plant in Texas May 16-17

Regency Energy Partners reported an acid gas compressor (AGC) at its Waha plant shut down twice last Thursday, first on low suction pressure on the fourth-stage compressor, and again on first-stage suction inlet high temperature, according to a filing with the Texas Commission on Environmental Quality. Operators reported the AGC unit shut down again on Friday, on a lubricant pump malfunction.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=182978>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=182941>

Enbridge Reports Several AGI Unit Shutdowns at Its Tilden Gas Plant in Texas May 16-20

Enbridge reported several acid gas injector (AGI) unit shutdowns at its Tilden plant since last Thursday, according to filings with the Texas Commission on Environmental Quality. On May 16, AGI-1 went down on repeated compressor motor faults, and AGI-2 went down due to a blown fuse. On May 17, gas processing faulted due to an inaccurate reading on a transmitter. As a result compression went down due to low suction pressure and motor fault. On May 20, AGI-2 went down twice due to an electrical malfunction, and AGI-1 went down multiple times on a compressor motor fault.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=182940>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=182943>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=183034>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=183040>

Other News

Nothing to report.

International News

FARC Allegedly Attacks Ecopetrol Crude Oil Pipeline in Southern Colombia May 19

Colombia's state-owned oil company Ecopetrol on Sunday alleged the Revolutionary Armed Forces of Colombia, known as the FARC, attacked a pipeline in Orito, causing an undefined quantity of crude oil to spill. Ecopetrol shut the pipeline while authorities took charge to address the spilled oil.

<http://colombiareports.com/farc-attack-on-pipeline-causes-oil-spill-in-southern-colombia/>

Update: Libyan Gas Company Official Confirms Militiamen Attacked Mellitah Oil and Gas Complex May 20, Stole Weapons and Vehicles

A Libyan gas company official said militiamen attacked the Mellitah Oil and Gas complex near Zwara early on Monday, injuring two guards and stealing weapons and military vehicles and then fleeing the scene. The complex is a joint venture between Libya's National Oil Corp. and Italy's Eni SpA.

<http://finance.yahoo.com/news/militiamen-attack-gas-complex-western-155624505.html>

South Sudan Nearly Halves Oil Output Citing Problem with Oil Exports to Sudan

South Sudan has reduced oil production from 200,000 b/d to 105,000 b/d due to a problem with oil exports to Sudan, it said on Tuesday, adding it suspected Sudan had closed the cross-border pipeline due to rising friction between the two countries. A source in Sudan's oil ministry denied the pipeline had been shut.

Reuters, 11:02 May 21, 2013

Energy Prices

U.S. Oil and Gas Prices			
May 21, 2013			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	96.02	94.27	92.36
NATURAL GAS Henry Hub \$/Million Btu	4.10	3.87	2.56

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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