



ENERGY ASSURANCE DAILY

Friday Evening, May 31, 2013

Electricity

Powerhouse Wildfire Threatening High-Voltage Transmission Lines Supplying Los Angeles; LADWP Re-routing Power Flows

The Powerhouse Wildfire currently burning in Angeles National Forest in Southern California is threatening high-voltage transmission lines and facilities operated by Los Angeles Department of Power and Light (LADWP) and Southern California Edison (SCE) that supply power to the Los Angeles metropolitan area. Due to moderate temperatures and low power demand, LADWP reported that it was able to safely re-route power flow around the fire on redundant paths while maintaining steady supply. LADWP said the fire was not threatening distribution lines and major outages were unlikely. SCE reported that it was monitoring the fire but the fire hadn't caused any outages to SCE customers. As of 1:00 p.m. EDT Friday, the fire had burned 1,500 acres and was 15 percent contained. At least one structure, believed to be a utility building, has been destroyed. The fire was first observed by a LADWP power plant operator burning just north of the company's Power Plant 1, a hydroelectric power plant.

<http://www.inciweb.org/incident/3399/>

<https://twitter.com/LADWP>

<https://twitter.com/SCE>

<http://ktla.com/2013/05/31/powerhouse-fire-burns-hundreds-of-acres-in-santa-clarita/#axzz2UsKf1Frh>

<http://www.alabamas13.com/story/22463329/wildfire-sparked-near-power-stations-north-of-la>

Severe Storms Cut Power to 33,000 Entergy Customers and 7,500 First Electric Cooperative Customers in Arkansas May 30

Severe storms and reported tornadoes swept through Arkansas Thursday, knocking out power to more than 33,000 Entergy Arkansas customers and 7,500 First Electric Cooperative (FEC) customers. As of 4:00 p.m. EDT Friday, 13,453 Entergy customers and 179 FEC customers remained without power.

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

<http://outage.fecc.coop/>

<http://www.arkansasonline.com/thousands-without-power-tornadoes-move-through-sta/?f=news-arkansas>

<http://www.thv11.com/news/article/267365/2/Thousands-of-Arkansans-without-power->

NYISO Issues 'Power Trends 2013' on Factors Affecting State's Electric System, Near- and Long-Term Outlook

The New York Independent System Operator (NYISO) on Thursday issued its annual review of the forces and factors affecting the State's electric system, "Power Trends 2013: Alternating Currents." The review concludes that although the near-term outlook for New York's electric system is positive, an array of emerging issues will impact the long-range energy future, including:

- Maintaining adequate supplies of power resources as older, less economic generation retires and new power technologies are developed.
- Managing the impact of increased natural gas supplies and growing power system reliance on generating facilities fueled by natural gas.
- Upgrading the transmission system to address aging infrastructure and remedy limitations on power flows to high-demand regions of the state.
- Integrating electric system reliability requirements with environmental quality objectives.
- Expanding the horizons of power grid operations and wholesale electricity markets to enhance regional coordination and maximize available resources.
- Balancing the value of efficient electricity markets with public policy goals and objectives.

http://www.nyiso.com/public/webdocs/media_room/press_releases/2013/NYISO_NYISO_Issues_Power%20Trends_2013_%2005_30_13_FINAL.pdf

Duke Energy Says It's Prepared for Summer Storms

Duke Energy reported it has more than 5,000 power line workers across 6 States ready to respond to outages brought on by severe weather this summer, and that it works year-round to maintain the grid that serves its customers. Basic core maintenance activities, such as vegetation management, pole inspections, and following up after outages helps defend against storm-related outages.

<http://www.duke-energy.com/news/releases/2013053001.asp>

PECO Completes Summer Preparation Work

PECO reported it has completed more than 35 projects this year that are essential to meeting the increased demand customers place on the electric system to keep their homes and businesses cool during the summer, including substation equipment upgrades and new transmission wires and poles. PECO also has completed projects to increase neighborhood electric supply, inspected circuits and equipment, and numerous additional jobs to ensure reliable service for the company's 1.6 million electric customers this summer. In addition to larger projects, PECO's summer preparedness program includes inspecting and maintaining aerial and underground electrical equipment, substations, and other facilities. The company also upgrades, replaces, and repairs equipment to meet customer needs, conducts emergency response drills, and other training for employees, and performs maintenance and testing of various computer and support systems.

<https://www.peco.com/News/NewsReleases/Pages/PECOPreparesforSummer.aspx>

Update: Constellation's 1,120 MW Nine Mile Point Nuclear Unit 2 in New York Ramped Up to 98 Percent by May 31

Nine Mile Point Unit 2 is returning from a curtailment that began on Wednesday, when operators reduced output to carry out maintenance on a feedwater system and control rods. Operators had planned to remove a pump from service to investigate abnormal indications on a water-level control valve.

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

Update: Progress Energy's 872 MW Brunswick Nuclear Unit 1 in North Carolina Ramped Up to 87 Percent by May 31

Brunswick 1 is returning from an outage that began by May 18. Operators restarted the unit by May 29.

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

Update: FPL's 839 MW Saint Lucie Nuclear Unit 2 in Florida Reduced to 57 Percent by May 31

On the morning of May 30 the unit was operating at 88 percent.

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

Exelon's 855 MW Quad Cities Nuclear Unit 1 in Illinois Reduced to 75 Percent by May 31

On the morning of May 30 the unit was operating at full power.

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

CDWR's 933 MW Hyatt-Thermalito Aggregate Hydro Unit in California Returns to Service by May 30

The unit returned from a curtailment of 631 MW that began by May 25 and was due to both planned and unplanned causes.

<http://content.caiso.com/unitstatus/data/unitstatus201305301515.html>

<http://content.caiso.com/unitstatus/data/unitstatus201305251515.html>

Update: Dynegy's 325 MW Morro Bay Natural Gas-Fired Unit 4 in California Returns to Service by May 30

The unit returned from an unplanned outage that began by May 24.

<http://content.caiso.com/unitstatus/data/unitstatus201305301515.html>

Calpine's 561 MW Los Medanos Natural Gas-Fired Unit in California Reduced by May 30

The unit entered an unplanned curtailment of 296 MW.

<http://content.caiso.com/unitstatus/data/unitstatus201305301515.html>

Martinez's 115 MW Martinez Natural Gas-Fired Unit in California Shut by May 30

The unit entered an unplanned outage.

<http://content.aiso.com/unitstatus/data/unitstatus201305301515.html>

Cabrillo Power's 106 MW Encina Natural Gas-Fired Unit 1 in California Returns to Service by May 30

The unit returned from an unplanned outage that began by May 25. Prior to the outage, the unit had been in an unplanned curtailment of 36 MW since May 24.

<http://content.aiso.com/unitstatus/data/unitstatus201305241515.html>

<http://content.aiso.com/unitstatus/data/unitstatus201305251515.html>

<http://content.aiso.com/unitstatus/data/unitstatus201305301515.html>

Petroleum

ExxonMobil Restoring Normal Operations at Its 149,500 b/d Torrance, California Refinery after Power Disruption Shuts Units May 30

ExxonMobil Corp. reported it was returning its Torrance refinery to normal operations Thursday afternoon—a process that was expected to take at least 12 hours—after a power disruption occurred when a Mylar balloon drifted into two electrical power transmission lines that morning. Southern California Edison said the balloon led to a “momentary voltage fluctuation” and that it was investigating the incident. The power disruption triggered flaring, which led to erroneous reports from social media that a fireball had ignited at the refinery. After the power disruption, ExxonMobil as a precaution evacuated about 1,000 contractors from the refinery who were working on a multi-unit overhaul. Refinery operators remained in the plant, managing the disruption and returning production units to normal operation. Prior to the power disruption, operators had been restarting several units at the refinery as it wraps up a 4-week multi-unit overhaul, sources familiar with operations said. ExxonMobil later reported unplanned flaring and a breakdown at the refinery in a filing with the South Coast Air Quality Management District. It was unclear whether that event, which started at 12:01 a.m. local time Friday morning, was related to the power disruption on Thursday.

Reuters, 21:26 May 30, 2013

Reuters, 03:03 May 31, 2013

<http://finance.yahoo.com/news/calif-refinery-evacuates-1-000-193038818.html>

Valero Reports Sulfur Dioxide Emissions at Its 144,000 b/d Benicia, California Refinery May 30

Valero Energy Corp. on Thursday reported sulfur dioxide emissions at its Benicia refinery on Thursday, according to a filing with the California Emergency Management Agency. The filing does not specify the units involved.

Reuters, 13:45 May 30, 2013

Valve Leak Causes Sulfur Dioxide Emissions at BP's 225,000 b/d Cherry Point, Washington Refinery May 25

BP Plc reported a valve leak at its Cherry Point refinery led to sulfur dioxide emissions on May 25, according to a filing with the Northwest Clean Air Agency.

Reuters, 19:17 May 30, 2013

PBF Reports Tailgas Unit Snag at Its 180,000 b/d Paulsboro, New Jersey Refinery May 30

PBF Energy Inc. reported an equipment malfunction on tailgas unit 81 at its Paulsboro refinery Thursday, according to a filing with State pollution regulators.

Reuters, 14:23 May 30, 2013

TransCanada Returns 590,000 b/d Keystone Crude Oil Pipeline to Service by May 31

TransCanada Corp on Friday reported its 590,000 b/d Keystone pipeline had returned to service.

<http://www.reuters.com/article/2013/05/31/markets-oil-tumble-idUSL2N0EC0ZV20130531>

TransCanada Reports ‘Small Imperfections’ on 700,000 b/d Gulf Coast Crude Oil Pipeline Under Construction in Texas

TransCanada Corp. reported that inspections of its Gulf Coast crude oil pipeline under construction from Cushing, Oklahoma to Nederland, Texas revealed “small imperfections” that will require nine sections totaling about 81 feet to be repaired in Texas. The 435-mile, 700,000 b/d Gulf Coast pipeline is 75 percent complete and is due to begin operation by late 2013. The pipeline is intended to eventually connect to TransCanada’s proposed Keystone XL pipeline, which will transport 830,000 b/d of crude oil from Hardisty, Alberta to U.S. Gulf Coast refineries.

http://www.mywesttexas.com/statenation/article_540d6b98-c974-11e2-b63a-001a4bcf887a.html

Enterprise to Develop Two Refined Product Export Facilities on Texas Gulf Coast

Enterprise Products Partners L.P. on Thursday announced it is developing two refined products export facilities to meet the growing demand for additional refined products export capability on the U.S. Gulf Coast. By utilizing Enterprise’s existing Southern Complex of refined products pipeline, storage, and terminal facilities in southeast Texas, Enterprise will provide customers with improved access to its marine facilities at its ports in Beaumont, Texas and on the Houston Ship Channel. Export service at the Beaumont marine terminal will initially handle Panamax size vessels and is expected to begin service in the first quarter of 2014, followed in mid-2014 by its expanded marine terminal on the Houston Ship Channel that will be initially sized to handle up to Aframax class vessels. Enterprise’s Southern Complex has traditionally served as a feeder system for the Enterprise TE Products Pipeline system, which delivers refined products to the Midwest. Over the past year, Enterprise has repurposed its Southern Complex in order to increase supply and market access, system flexibility and capacity. Storage capacity at the partnership’s Southern Complex facilities has more than doubled to approximately 12 million barrels; key pipeline segments serving major refining centers have been made bi-directional; and new interconnects provide access to major, third party interstate pipeline systems.

<http://phx.corporate-ir.net/phoenix.zhtml?c=80547&p=irol-newsArticle&ID=1825525>

Natural Gas

Construction Causes Explosion, Flash Fire at Williams’ Neshanic Natural Gas Compressor Station in New Jersey May 30; No Impact to Supply, Compressor Station Reported

Williams Cos Inc. reported an explosion and flash fire erupted and were quickly extinguished at its Neshanic gas compressor station Thursday night during work on an inactive piece of pipe, according to a filing with the U.S. National Response Center. Workers were welding an end cap on a section of pipe that will form part of the company’s Northeast Supply Link project when some fumes ignited and caused an explosion. The incident has not affected supply along nearby lines, and no damage to the compressor station was reported, a spokesman said Friday. Reuters, 10:59 May 31, 2013

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1048794

Update: Southern Star Restores Some Natural Gas Service Interrupted by May 20 Tornado in Oklahoma; Force Majeure Remains in Effect for Two Receipt Points

Southern Star Central Gas Pipeline Inc. on Thursday said it had restored some of the natural gas service interrupted by the May 20 tornado in Oklahoma County, Oklahoma. Operators had declared force majeure on the Line 340 segment of Southern’s interstate natural gas pipeline near Cement, Oklahoma after the tornado caused the pipeline to break away from its braces on a bridge in the area. Southern shut-in 35 MMcf/d of gas service at that time. On Thursday, operators reported the force majeure outage remained in effect for just two receipt points on the pipeline. 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.

<https://csi.sscgp.com/PublicArea/NotificationDisplay.aspx?noticeID=5779>

Update: WGL Holdings Joins Williams Partners, Others in JV to Build 650 MMcf/d Constitution Natural Gas Pipeline to Transport Marcellus Production to U.S. Northeast

WGL Holdings, Inc., through its subsidiary, Capitol Energy Ventures Corp. (CEV), on Thursday announced its equity investment in Constitution Pipeline Company, LLC. The fully subscribed natural gas pipeline project will transport natural gas from the Marcellus region in northern Pennsylvania to major northeastern markets. CEV joins Williams Partners L.P., Cabot Oil and Gas Corporation, and Piedmont Natural Gas in the project. Williams Partners will construct, operate, and maintain the new 30-inch, 121-mile transmission pipeline, which is full contracted to transport 650 MMcf/d. The pipeline will connect with the Iroquois Gas Transmission and Tennessee Gas Pipeline systems in Schoharie County, New York. Construction is expected to begin in the third quarter of 2014, and service is expected to begin by March 2015. An earlier project plan had estimated construction would begin in April 2014. Constitution Pipeline expects to file a formal certificate application with the U.S. Federal Energy Regulatory Commission next month.

www.constitutionpipeline.com

<http://www.wglholdings.com/releasedetail.cfm?ReleaseID=768286>

WBI Energy to Build 400 MMcf/d Natural Gas Pipeline to Transport Bakken Natural Gas to Markets in Eastern North Dakota, Minnesota, and Wisconsin

WBI Energy, Inc., the pipeline and energy services subsidiary of MDU Resources Group, Inc., on Thursday announced plans for a proposed natural gas pipeline stretching from far western North Dakota to western Minnesota, where it would connect with Viking Gas Transmission Company's pipeline system. This project would increase pipeline takeaway capacity out of the Bakken to accommodate rapidly growing natural gas production in the region. The pipeline has been initially designed to transport approximately 400 MMcf/d of natural gas and, depending on user commitments, could be expanded to more than 500 MMcf/d. The majority of the proposed 400-mile system would be comprised of 24-inch pipeline and the project would include two new compressor stations. Long-term capacity commitments on the proposed pipeline will be sought during an open season expected to begin in late summer. Following receipt of capacity commitments and necessary permits and regulatory approvals, construction on the new pipeline would begin in early 2016 with completion expected by late 2016.

<http://www.wbienergy.com/wbienergy/news>

Southern Star Announces 225 MMcf/d Capacity Expansion on Its Straight Blackwell Line Segment in Western Oklahoma

Southern Star Central Gas Pipeline on Friday announced the expansion of firm transportation capacity on its Straight Blackwell line segment in western Oklahoma, following a successful binding open season last fall, which resulted in two conforming bids. Southern Star has now successfully executed precedent agreements with two shippers for a total of 225 MMcf/d of firm transportation service. This project helps the company serve the growing Oklahoma production corridor, including the Mississippi Lime Play, with access to markets in Oklahoma, Kansas, and Missouri, and access to other intrastate and interstate pipelines. The firm transportation agreements and the in-service date for the facilities will be effective October 1, 2014.

PRN, 12:09 May 31, 2013

Piedmont Completes Natural Gas Pipeline Project to Serve Duke Energy's New Sutton Power Plant in North Carolina

Piedmont Natural Gas on May 31 announced the completion of its Sutton Pipeline Project, which will provide natural gas delivery service to Duke Energy's new 625 MW Sutton combined-cycle, natural gas-fired power plant near Wilmington, North Carolina. The project was first announced in April 2010 and included the construction of 120 miles of 20-inch pipeline and 8 miles of 30-inch pipeline, and the installation of approximately 25,000 horsepower of additional compression facilities on Piedmont's system. Natural gas delivery service to the Sutton plant is scheduled to begin on June 1. Duke aims to begin commercial operations at the plant later this year.

<http://www.piedmontng.com/about/aboutpng/newsarticle.aspx?id=151>

Update: Enterprise Announces Open Season for Propane Service on ATEX Express Pipeline

Enterprise Products Partners L.P. on Thursday announced a binding open season to determine shipper support for transporting propane to Mont Belvieu, Texas on the partnership's Appalachia-to-Texas (ATEX) pipeline. Currently the ATEX pipeline has long-term contracts in place for ethane transportation to Mont Belvieu. The addition of propane service will not impact Enterprise's contractual obligations with existing ATEX ethane shippers. To accommodate shipments of propane, Enterprise would loop a portion of ATEX, add pumping capacity as needed and install additional facilities for the delivery of specification ethane and propane at destination points. The final scope of the project will be determined by the aggregate volume of commitments received during the open season, but propane transportation service is anticipated to commence in the first quarter of 2015.

<http://phx.corporate-ir.net/phoenix.zhtml?c=80547&p=irol-newsArticle&ID=1825584>

Atlas Pipeline Reports Process Failure at Its 165 MMcf/d Midkiff Gas Plant in Texas after Power Supply Fails May 30

Atlas Pipeline reported a process failure at its Midkiff plant Thursday night occurred when the power feed from its third-party provider Sharyland Electric failed, according to a filing with the Texas Commission on Environmental Quality. Emissions related to the incident lasted for about 3 hours Thursday.

<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=183428>

Other News

Nothing to report.

International News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices			
May 31, 2013			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	93.01	93.51	86.90
NATURAL GAS Henry Hub \$/Million Btu	4.12	4.16	2.39

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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