



ENERGY ASSURANCE DAILY

Tuesday Evening, June 04, 2013

Electricity

Update: More Than 22,000 Utility Customers Remain without Power in Oklahoma and Missouri June 4 after Supercell Thunderstorms Last Weekend

Utilities in Oklahoma and Missouri continued working to restore power to customers affected by a cluster of supercell thunderstorms that knocked out power to 276,000 customers in the Central and Eastern United States and 48,000 customers in Quebec over the weekend. As of 2:30 p.m. EDT today, Oklahoma Gas & Electric (OG&E) reported 10,378 customers remained without power, down from 100,000 at the peak of the storm. The utility reported that the tornadoes and storms took down more than 560 poles, more than 620 cross-arms, and about 160 transformers, and damaged transmission lines. OG&E said it hoped to restore power to all its affected customers that can receive power by Thursday night. Ameren reported 11,826 customers without power in Missouri, down from 93,000 at the peak of the storm. The utility said it expected to restore power to the vast majority of its remaining affected customers by tonight. Utilities in other States had largely restored power but continued to report scattered outages on June 4.

<http://www.stltoday.com/in-st-louis-area-still-without-power-tuesday.html>

<http://www.seacoastonline.com/apps/pbcs.dll/article?AID=/20130603/NEWS/130609972/-1/NEWSMAP>

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

<http://apps.ameren.com/outage/OutageMap.aspx?state=MO>

<https://twitter.com/OGandE>

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

http://www.oge.com/Documents/Estimated%20Time%20of%20Restoration%20Map_May%2031.pdf

<http://ameren.mediaroom.com/index.php?s=43>

Xcel Says Flooding Mitigation Procedures at Its Monticello Nuclear Power Plant in Minnesota May Be Inadequate

Xcel Energy reported on May 31, during an aggregate review of issues raised during a focused self assessment of external flooding mitigation, operators concluded that the A.6 Acts of Nature procedure may not adequately protect equipment required to maintain safe shutdown from the external probable maximum flood, according to a filing with the U.S. Nuclear Regulatory Commission. The plant is currently shut for refueling. Operators are developing compensatory measures, including procedure changes, additional barriers, and contingency actions.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2013/20130603en.html>

Update: PPL's 1,105 MW Susquehanna Nuclear Unit 1 in Pennsylvania Reduced to 5 Percent by June 4

Susquehanna 1 is returning from an outage that began on May 9, when operators shut the reactor to install turbine modifications, the first phase of a long-term plan that is expected to resolve turbine blade issues that have affected plant operations in recent years. Workers made the same modifications to Unit 2 during its regularly scheduled refueling outage, which ended May 31. Operators restarted Unit 1 by June 2, and ramped it up to 14 percent power by June 3.

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

Update: Southern's 856 MW Hatch Nuclear Unit 1 in Georgia Ramped Up to 78 Percent by June 4

On the morning of June 3 the unit was operating at 63 percent.

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

Southwestern Reports Emissions at Its 360 MW Harrington Natural Gas-Fired Unit 1 in Texas May 31

Southwestern Public Service Co. reported emissions from the Unit 1 Boiler and Unit 1 Stack at its Harrington plant Friday morning, according to a filing with the Texas Commission on Environmental Quality. Operators were investigating the cause.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=183457>

Dynegy's 510 MW Moss Landing Natural Gas-Fired Unit 2 in California Returns to Service by June 3

The unit returned from an unplanned curtailment of 260 MW that began by June 2.

<http://content.caiso.com/unitstatus/data/unitstatus201306031515.html>

MISO Expands Reliability Coordination Services in South

The Midwest Independent System Operator (MISO) on Friday expanded its reliability coordination services to include eight additional entities, including Cleco, South Mississippi Electric Power Association, Louisiana Energy and Power Authority, Louisiana Generating, LLC, and four municipal utilities in the region. MISO began providing reliability services for the Entergy companies and Arkansas Electric Cooperative Corporation on December 1, 2012. With the six Entergy operating companies, these companies together serve more than four million customers, and, combined with operations for MISO's Midwest region, MISO now manages the flow of electricity along 65,280 miles of the interconnected bulk electric system from Manitoba, Canada to the Gulf of Mexico. Additionally, the six Entergy operating companies, Cleco, and SME are working toward full integration into MISO's market operations by December 2013.

<https://www.midwestiso.org/AboutUs/MediaCenter/PressReleases/Pages/MISOExpandsReliabilityCoordinationServicesinSouth.aspx>

East Kentucky Power Cooperative Completes Integration Into PJM Interconnection

East Kentucky Power Cooperative (EKPC) on Saturday completed the integration of its system into the PJM Interconnection, a regional power grid serving 61 million people in 13 Mid-Atlantic and Midwest States with more than 183,000 MW of generating capacity. The integration of EKPC brings 3,099 MW of generating capacity and 2,797 miles of transmission lines to the PJM grid. East Kentucky Power is a non-profit, member-owned cooperative providing wholesale electricity to 16 owner-member distribution cooperatives that serve 520,000 customers in Kentucky.

<http://www.pjm.com/2013-releases/20130601-ekpc-successfully-integrated-into-pjm.ashx>

http://www.ekpc.coop/pressreleases/2013%20press%20releases/2013-06-01%20%20Press%20release_FINAL_PJM%20integration.pdf

PowerBridge Places 660 MW Hudson River Transmission Line from New Jersey to New York into Service by June 3

PowerBridge LLC on Monday announced that its affiliate, Hudson Transmission Associates LLC, has placed the new 660 MW underwater Hudson River transmission line from New Jersey to Manhattan into service about 6 weeks ahead of schedule and is now delivering power to customers in New York City. The Hudson Transmission project links New York City and PJM Interconnection, providing a new source of electric power for the New York City customers of the New York Power Authority. The 7.5-mile, 375-kV high-voltage, direct current line is capable of providing about 5 percent of New York City's peak demand. The line is entirely underground and underwater and begins in Ridgefield, New Jersey, at the site of the new Hudson converter station, where it interconnects with the PJM system at the Public Service Electric & Gas Company Bergen Substation. The line ends at the Consolidated Edison W. 49th Street Substation. The project also included upgrades and reinforcements to the transmission system in New Jersey. Construction of the project began in May 2011 and was completed in June 2013.

<http://hudsonproject.com/wp-content/uploads/2011/08/Hudson-Operation-Release-FINAL-06-03-13.pdf>

JCP&L Prepares for Hurricane Season with Storm Drills, Resource Management, Tree Trimming, Transmission and Distribution Enhancement Projects in New Jersey

Jersey Central Power & Light (JCP&L) reported Friday that it is preparing to respond to power outages caused during the hurricane season by conducting a storm drill on June 20 at its Morristown, New Jersey headquarters that will involve company operations and support personnel, representatives from the Office of Emergency Management, and staff from the New Jersey Bureau of Public Utilities. To enhance system reliability, the utility has trimmed vegetation near more than 1,900 circuit miles of electric lines, with an additional 1,600 circuit miles expected to be completed by year end. It is rebuilding transmission lines, upgrading substation equipment, and rebuilding infrastructure and reconnecting service to homes on the barrier islands that were damaged during Hurricane Sandy. JCP&L is also continuing work on its Local Infrastructure and Transmission Enhancement Program, a multiyear plan that ultimately will encompass up to 50 transmission and sub-transmission projects designed to enhance system reliability. Lastly, JCP&L's new texting and alert services and continued enhancements to its website and outage maps have made it easier for customers to report outages and obtain restoration information.

https://www.firstenergycorp.com/content/fecorp/newsroom/news_releases/jcp-l-planning-for-hurricane-season.html
<http://finance.yahoo.com/news/jcp-l-expands-suite-industry-202000927.html>

PGE Opens Salem Smart Power Center, Smart Grid Demonstration Project in Oregon

Portland General Electric Company (PGE) on Friday announced the opening of its new Salem Smart Power Center, a facility in Salem, Oregon that offers a view of a working smart grid demonstration project. Outfitted with a large-scale energy storage system, the center is designed to help PGE test how to store and better integrate variable renewable energy sources like solar and wind into the electrical grid, along with several other smart technologies. The technologies work together to create a highly reliable "micro-grid" that serves about 500 utility customers in southeast Salem. The PGE project will test energy storage, dispatchable standby generation, remotely operated power line switches, demand response, renewable energy integration, and transactive control. PGE collaborated with Eaton and EnerDel, Inc. on the Salem Smart Power Project, which received U.S. Department of Energy matching funds as part of the Pacific Northwest Smart Grid Demonstration Project.

<http://investors.portlandgeneral.com/releasedetail.cfm?ReleaseID=768424>

PGE Announces New Power Plants, Transmission Capacity Proposal in Oregon

Portland General Electric Company (PGE) on Monday announced it will build a new 440 MW natural gas-fired power plant adjacent to its Boardman Generating Station in northern Oregon. The facility is scheduled to come online in 2016. PGE also announced that in May it began construction on its new, previously announced 220 MW Port Westward Unit 2, a natural gas-fired plant adjacent to its existing natural gas-fired Port Westward and Beaver plants in northeastern Oregon. That facility is expected to come online in 2015. PGE also announced it has entered into an agreement to acquire the development rights to phase two of the Lower Snake River wind farm, currently under development by Puget Sound Energy Inc. in southeastern Washington. The farm will consist of 116 Siemens Energy wind turbines, each with a generating capacity of 2.3 MW, for a total capacity of 267 MW. The transaction is expected to close in August 2013, subject to customary conditions. The facility is expected to be complete in 2015. PGE has also signed a new memorandum of understanding (MOU) with the Bonneville Power Administration (BPA) to seek mutual transmission capacity solutions, resulting PGE's decision to suspend permitting and development of the proposed 500-kV Cascade Crossing transmission project.

<http://investors.portlandgeneral.com/releasedetail.cfm?ReleaseID=768816>

<http://investors.portlandgeneral.com/releasedetail.cfm?ReleaseID=737306>

Petroleum

Update: Sunoco Delays Start Date on 90,000 b/d Phase I of Its Permian Express Crude Pipeline in Texas Until July

Sunoco Logistics Partners LP has delayed the startup of its West Texas-Nederland Permian Express crude oil pipeline until July, the company said in a notice to customers on Friday, because work by a third party at Wichita Falls, Texas, where the line starts, had not been completed by June as previously communicated. Sunoco had reported in early May that it expected the first phase of its Permian Express pipeline, which will deliver crude oil from Wichita Falls to Nederland, Texas, to be operational at its initial 90,000 b/d capacity in June. The second phase, which would carry an additional 200,000 b/d, is in the development and marketing phase, as output from the West Texas basin is expected to keep growing.

Reuters, 16:55 May 31, 2013

Kinder Morgan to Expand Eagle Ford Crude Condensate Pipeline in Texas

Kinder Morgan Energy Partners, L.P. on Monday announced it will expand its Kinder Morgan Crude and Condensate pipeline system (KMCC) deeper into the Eagle Ford Shale play in Karnes County, Texas. The expansion, supported by a long-term contract with ConocoPhillips, will extend the 178-mile pipeline 31 miles from the KMCC DeWitt Station to ConocoPhillips' Central Delivery Facility near Helena. Kinder Morgan will also build receipt tanks and a truck unloading facility adjacent to ConocoPhillips' Helena Central Delivery Facility. Kinder Morgan expects to begin construction on the project in July of this year, with completion slated for the third quarter of 2014. This expansion further assists the company's commitment to deliver up to 300,000 b/d of crude and condensate from the Eagle Ford Shale.

<http://phx.corporate-ir.net/phoenix.zhtml?c=119776&p=irol-newsArticle&ID=1826437>

Occidental Launches Open Season on 75,000 b/d Cline Shale Crude Oil Pipeline System in West Texas

Occidental Petroleum Corp. subsidiary Centurion Pipeline on Friday launched an open season to solicit shipper commitments to transport crude oil from West Texas to Centurion's existing Colorado City, Texas station. The proposed Cline Shale Pipeline System originating near Barnhart, Texas will be capable of transporting approximately 75,000 b/d of crude oil to the Colorado City station, where a new interconnection to the proposed BridgeTex Pipeline is expected to provide access to the Texas Gulf Coast by July 2014. Centurion's proposed Cline Shale Pipeline System includes approximately 100 miles of new pipeline and several origination stations, each able to receive crude oil via truck or pipeline. The Cline Shale Pipeline System is expected to begin service in the second quarter of 2014, subject to sufficient commitments from shippers and receipt of all required regulatory approvals.

<http://www.centurionpipeline.com/centurion-pipeline-openseason.aspx>

Enterprise to Proceed with Project to Transport Diluent from Mont Belvieu, Texas to Chicago after Successful Open Season

Enterprise Products Partners L.P. on Monday announced it will proceed with development of a project to transport diluent-quality natural gasoline from the partnership's Mont Belvieu, Texas liquids storage complex to several potential delivery points in and around the Chicago area. The positive response from shippers during the recent open commitment period soliciting long-term transportation agreements supported Enterprise's proposed plans to provide access to both the Southern Lights and Cochin pipelines. The new connections are expected to begin service during the fourth quarter of 2013 and the second quarter of 2014, respectively. The company in early May announced that it was expanding its 180,000 b/d Southern Lights Diluent Pipeline from Chicago to Edmonton, Alberta to reach an annual capacity of 275,000 b/d.

<http://phx.corporate-ir.net/phoenix.zhtml?c=80547&p=irol-newsArticle&ID=1826570>

Gulf Gateway Crude Oil Terminal Set to Begin Operations This Week at the Port of New Orleans

The Gulf Gateway Terminal, a joint project of Murex Ltd. and Bulk Resources Inc., is slated to begin operating this week at the Port of New Orleans. The terminal will receive shipments of crude oil by rail from Canadian and U.S. locations and transfer up to 10,000 barrels per hour directly into barges or into a 103,000-barrel storage tank. The terminal provides access to the Mississippi River and the Gulf of Mexico, with a capacity of one unit train per day. By water, terminal operators can reach a dozen major refineries. By rail, via the New Orleans Public Belt Railroad, the terminal has access to six major railroads. Developers hope to add a 120,000-barrel storage tank later this year. Pending the final permitting approvals, the terminal is slated to receive its first unit train June 5.

http://www.nola.com/business/index.ssf/2013/05/30_million_crude_oil_terminal.html

Update: British Columbia Says It Would Oppose Enbridge's Proposed 525,000 b/d Northern Gateway Crude Oil Pipeline for Environmental Reasons

British Columbia on Friday made its final written submission to the Northern Gateway Pipeline Joint Review Panel, stating that it cannot support Enbridge Inc.'s proposed Northern Gateway crude oil pipeline project as presented to the panel because developers have been unable to address British Columbians' environmental concerns. Northern Gateway is intended to carry 525,000 b/d of diluted bitumen about 730 miles from the oilsands of Alberta to a terminal at Kitimat on the coast of British Columbia, where it could be loaded to tankers for sale anywhere in the world. British Columbia's Environment Minister Terry Lake said that questions "were not satisfactorily answered" during hearings of a review panel that will make a recommendation on the project to Canada's federal government, and that the project's developers shouldn't receive a permit to proceed until those questions are satisfactorily answered.

http://www.env.gov.bc.ca/main/docs/2013/BC-Submission-to-NGP-JointReviewPanel_130531.pdf

<http://www.newsroom.gov.bc.ca/2013/05/bc-makes-final-written-argument-to-northern-gateway-panel.html>

BP, Partners Plan Long-term Investments to Increase Production at Prudhoe Bay Oilfield in Alaska

BP Plc, ExxonMobil Corp., and ConocoPhillips plan to invest an additional \$1 billion in the North Slope of Alaska over the next 5 years. BP, which operates the Prudhoe Bay oilfield on Alaska's northern coast, will increase capital spending there by about 30 percent, adding two onshore rigs to bring the total working in the area to nine. It is also evaluating a plan for the three companies to spend an additional \$3 billion on projects to raise the oilfield's production, such as debottlenecking facilities and drilling 110 more wells. BP owns 26 percent of the Prudhoe Bay field, ExxonMobil and ConocoPhillips own 36 percent each, and Chevron owns 1 percent.

<http://www.ft.com/intl/cms/s/0/ee3ba5c4-cbb6-11e2-8ff3-00144feab7de.html#axzz2V9uZvKik>

Update: Tesoro Closes the Purchase of BP's Southern California Refining and Marketing Business; Includes 265,000 b/d Carson, California Refinery

Tesoro Corporation on Monday announced that it has closed the acquisition of BP's fully integrated Southern California Refining and Marketing business, including the 265,000 b/d Carson refinery and over 800 dealer-operated retail stations. Additionally, Tesoro and Tesoro Logistics LP on Monday announced that TLLP closed the acquisition of the first portion of the integrated Carson logistics assets, including six marketing and storage terminal facilities with a total combined throughput capacity of about 225,000 b/d and approximately 6.4 million barrels of total storage capacity. The remaining Carson logistics assets, consisting of dedicated storage capacity, pipelines, and marine terminals, are expected to be offered to TLLP within 12 months.

<http://phx.corporate-ir.net/phoenix.zhtml?c=79122&p=irol-newsArticle&ID=1826244>

Operator Error Shuts ESP Unit at Alon's 67,000 b/d Big Spring, Texas Refinery May 31

Alon USA Holdings reported emissions from the carbon monoxide (CCO) boiler bypass stack at its Big Spring refinery Friday night after an operator input error shut the electrostatic precipitator (ESP), according to a filing with the Texas Commission on Environmental Quality. The incident led to emissions from the fluid catalytic cracking unit (FCCU), FCCU CO boiler bypass stack, FCCU ESP stack, and FCCU regenerator.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=183499>

Flint Hills Reports Flaring at Its 288,468 b/d Corpus Christi, Texas Refinery June 3

Flint Hills Resources LP reported a release of materials from a flare due to unknown causes at its Corpus Christi refinery on Monday, according to a filing with the U.S. National Response Center. Operators had not secured the release at the time of the filing and were investigating the incident.

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1049143

Natural Gas

Southern Star Gas Declares Force Majeure on 7 Natural Gas Pipeline Segments in Oklahoma Due to Floods June 3

Southern Star Central Gas Pipeline Inc. declared force majeure effective Tuesday for seven natural gas pipeline segments on its system due to flooding in Oklahoma County, Oklahoma, upstream from its Edmond station. The company said in a website posting late Monday that in order to maintain safe operations it would reduce pressure on the line exposure sites until repairs could be made. Capacity will be reduced to 108 MMcf/d in the South of Edmond constraint area, and 132 MMcf/d in the Edmond Blackwell constraint area, until repairs are complete. Line segments potentially impacted by this capacity reduction include Nos. 340, 357, 380, 385, 390, 400, and 405. 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. The company had previously declared force majeure on a portion of Line 340 near Moore, Oklahoma after a May 20 tornado caused the pipeline to break away from its braces on a bridge in the area. All but two receipt points had returned to service by May 30.

Reuters, 10:34 June 4, 2013

<https://csi.sscgp.com/PublicArea/NotificationDisplay.aspx?noticeID=5783>

Process Upsets, Power Outage Shut AGI Compressor at Regency's 290 MMcf/d Waha Gas Plant in Texas

Regency Energy Partners reported that low lube oil pressure and a loss of third party-provided power at its Waha plant on Friday morning caused an acid gas injector (AGI) compressor to shut down multiple times, according to a filing with the Texas Commission on Environmental Quality. Emissions related to this event continued through Saturday night.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=183470>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=183462>

Equipment Failure Shuts Unit at Southern Union's 140 MMcf/d Keystone Gas Plant in Texas May 31

Southern Union Gas Services reported it had to flare low pressure inlet gas at its Keystone plant Friday night after Unit 20 went down on equipment failure, according to a filing with the Texas Commission on Environmental Quality.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=183464>

Plant-wide Power Outage Shuts Enbridge's Tilden Gas Plant in Texas June 2

Enbridge reported its Tilden plant shut down Sunday morning due to a total power outage, according to a filing with the Texas Commission on Environmental Quality. Operators were working with the electrical provider to determine the cause of the upset. Power was restored soon after the outage, and the plant was brought back online as soon as was feasible.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=183475>

Other News

Nothing to report.

International News

Petroecuador Restarts 360,000 b/d SOTE Crude Oil Pipeline at Reduced Rates by June 4 after Landslide Ruptured Pipeline May 31

Ecuador's state-owned oil company Petroecuador on Tuesday said it has repaired and restarted its SOTE pipeline following a rupture Friday due to a landslide. The 360,000 b/d SOTE pipeline had been carrying about 309,000 b/d of crude oil when operations were suspended on Friday morning after a section burst due to a landslide. The pipeline is now transporting about 60,000 b/d, but operators are planning to gradually increase rates to normal levels, a Petroecuador official said. Petroecuador declared force majeure on crude exports on Monday due to the SOTE breakage. The official did not say whether the force majeure has yet been lifted.

Reuters, 10:35 June 4, 2013

Protesting Guards Force Shutdown of 74,000 b/d Elephant Oilfield in Libya May 30

Forty-five guards at a Mellitah Oil and Gas complex in southern Libya on Thursday forced the closure of the 74,000 b/d Elephant field, in protest over back pay and to demand better living conditions, a Mellitah official said Friday. The oilfield is jointly owned and operated by Libya's state-owned National Oil Corporation and Italy's Eni SpA. The guards at Elephant gave authorities 10 days to meet their demands.

<http://finance.yahoo.com/news/guards-libyan-oil-field-protest-202710027.html>

Energy Prices

U.S. Oil and Gas Prices			
June 4, 2013			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	93.41	95.05	93.43
NATURAL GAS Henry Hub \$/Million Btu	4.00	4.15	4.02

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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