



ENERGY ASSURANCE DAILY

Thursday Evening, June 12, 2014

Major Developments

‘Incendiary-Type Device’ Found on Diesel Fuel Tank at UniSource Energy’s 104 MW Valencia Natural Gas-fired Power Plant in Nogales, Arizona June 11

An “incendiary-type device” was found on a large diesel fuel tank at the Unisource Energy’s Valencia power plant in Nogales, Arizona Wednesday morning. Recent media reports provide conflicting accounts with some saying the device did not detonate and others saying the device detonated but did not damage the fuel tank. Earlier news reports had said the tank ruptured but that the spilled fuel did not ignite. The plant remained functional and no services were affected, although the plant and a nearby business were evacuated for precautionary reasons. Authorities are still looking for suspects and the Federal Bureau of Investigation (FBI), the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), and Arizona Department of Public Safety were brought in to investigate. The Valencia power plant is a peaking power plant that has four natural gas-fired turbines with a combined nameplate capacity of 104 MW. Each of the four units can also utilize diesel fuel as a backup fuel source. The Valencia plant site also includes the Valencia substation, which receives power via a high voltage transmission line from the Vail substation in Tucson, Arizona. The transmission line, which was upgraded from 115 kV to 138 kV earlier this year, is the primary source of electrical service for customers in Nogales, Arizona and surrounding communities. According to local police, the substation is critical to the area, serving 30,000 customers.

http://www.nogalesinternational.com/news/incendiary-type-device-found-at-nogales-power-plant/article_5da11986-f19e-11e3-83dc-0019bb2963f4.html

<http://www.azcentral.com/story/news/arizona/2014/06/11/nogales-explosion-power-plant-arizona-abrk/10351107/>

<http://www.kgns.tv/home/headlines/Explosive-device-found-at-Arizona-power-plant-262888181.html>

https://www.uesaz.com/doc/projects/vail/ues_vtov_fact_sheet_eng.pdf

Electricity

Update: Over 18,000 AEP Customers Remain Without Power in West Virginia and Kentucky June 12 After Storms June 10

Today AEP Appalachian Power and AEP Kentucky Power continued to address considerable outages across their service territories resulting from strong winds and thunderstorms that moved through the region Tuesday and again on Wednesday. The initial storm caused significant damage to the system, including broken poles and downed wires, while the second storm hampered restoration efforts and resulted in additional outages. Meteorologists are forecasting additional scattered showers and potential thunderstorms in Appalachian Power’s service area Thursday and again on Friday. The storms are not expected to cause significant outages but could delay restoration. As of 3:30 p.m. EDT today, Appalachian Power was reported 13,555 customers without power, down from 67,000 on Tuesday night, and Kentucky Power reported 4,934 customers without power, down from 33,000 customers. Other utilities affected by Tuesday’s storms had largely restored power by this afternoon.

<https://www.aepcustomer.com/outagemap/main.aspx?region=kentucky>

<http://www.aepcustomer.com/outagemap/main.aspx?region=apco>

<https://www.appalachianpower.com/outages/details.aspx?stormName=June%2010%20Thunderstorm>

<https://www.kentuckypower.com/outages/details.aspx?stormName=June%2010%20Storm-KY>

Severe Thunderstorms Knock Out Power to Over 24,000 Customers in Pennsylvania and Ohio June 11

First Energy Corp. reported 22,000 customers lost power due to severe thunderstorms that moved across Ohio and Pennsylvania on Wednesday. Duquesne Light reported 2,700 customers in Pennsylvania lost power overnight due to the storms. Duquesne Light said service was expected to be restored to the vast majority of customers by 4 p.m. EDT today but with more storms in the forecast, it is possible that severe weather could cause additional outages later today or tonight. As of 3:30 p.m. today, 4,451 First Energy customers and 695 Duquesne Light customers remained without power.

<http://outages.firstenergycorp.com/pa.html>

<http://outages.firstenergycorp.com/oh.html>

<https://www.duquesnelight.com/forOurCustomers/importantInformation.cfm>

Storms Knock Out Power to 22,000 Duke Energy Customers in North Carolina June 11

Strong storms moved across North Carolina on Wednesday evening, knocking out power to 22,000 customers, according to Duke Energy. Heavy rain and downed trees contributed to the power outages, particularly in Durham County. As of 3:30 p.m. EDT today, 1,893 customers remained without power.

<http://www.newsobserver.com/2014/06/11/3929179/22000-without-power-after-nc-storms.html?sp=/99/102/#storylink=cpy>

AEP Seeks Approval to Build 138 kV Bim Tap Transmission Line in West Virginia

AEP West Virginia Transmission Co., Inc. on Tuesday filed an application for the Bim Tap Project with the West Virginia Public Service Commission. The company's filing says the proposed 5.5-mile 138 kV line would replace an existing line located on property where Independence Coal Company has mining operations. Independence has asked the company to move the line because it plans to conduct operations in the immediate vicinity. The new line would be located primarily on reclaimed and previously mined land.

<http://www.newsandsentinel.com/page/content.detail/id/528555/AEP-subsiadiary-seeks-OK-to-build-line-in-S--W-Va-.html?isap=1&nav=5071>

Petroleum

Phillips 66 Shuts CRU, VDU at Its 59,000 b/d Billings, Montana Refinery Due to Crude Unit Fire June 11

A fire in the crude unit at Phillips 66's refinery in Billings, Montana, on Wednesday forced the company to shut two major units for an indefinite period of time. The 38,000 b/d catalytic reforming unit (CRU) and 35,000 b/d vacuum distillation unit (VDU) were shut down on Wednesday afternoon, according to research company Genscape. Late Wednesday Phillips 66 said it had a fire in the large crude unit, which had been extinguished onsite by emergency response personnel. It provided no estimate on the duration of the closure.

Reuters, 11:36 June 12, 2014

CVR Reports FCCU Regenerator Emissions at Its 70,000 b/d Wynnewood, Oklahoma Refinery June 9

CVR Energy Inc. reported emissions from a fluid catalytic cracking unit (FCCU) regenerator at its Wynnewood, Oklahoma refinery on June 9, according to a report from the Oklahoma Department of Environmental Quality Refinery.

Reuters, 14:51 June 11, 2014

ExxonMobil Says Operations Normal at Its 344,500 b/d Beaumont, Texas Refinery after Compressor Interruption June 11

ExxonMobil Corp. said yesterday a compressor operation was temporarily interrupted, resulting in a period of flaring. ExxonMobil said the compressor operation was later restored and the refinery returned to normal operations.

Reuters, 20:31 June 11, 2014

EQT and NextEra Energy Announce Open Season for 2 Bcf/d Mountain Valley Pipeline from West Virginia to Virginia

EQT Corp. and NextEra US Gas Assets, LLC today announced the commencement of a non-binding open season for the Mountain Valley Pipeline project, which is expected to connect Marcellus and Utica natural gas supply to demand markets in the Southeast region of the United States. The companies also announced the signing of a letter of intent to form a joint venture that is expected to construct and own the Mountain Valley Pipeline. Subject to FERC approval, the 330-mile Mountain Valley Pipeline project will extend the Equitrans transmission system from Wetzel County, West Virginia; and travel south to its expected primary delivery point, Transcontinental Gas Pipeline Company's (Transco) Zone 5 compressor station 165 in Pittsylvania County, Virginia. In addition to the primary delivery point, the Mountain Valley Pipeline has numerous potential interconnects with pipelines and processing facilities; and shippers will have the option to request a project extension to delivery points further south into North Carolina. The Mountain Valley Pipeline is expected to initially provide at least 2 Bcf/d of firm transmission capacity. Including EQT, the open season has commitments from two foundation shippers that, combined, have agreed to 1 Bcf/d of firm transmission capacity through 20-year contracts on the Mountain Valley Pipeline. Delivery to Transco station 165 is expected to be in service by the fourth quarter of 2018.

<http://media.eqt.com/press-release/eqt-and-nextera-energy-announce-southeast-pipeline-project>

Regency's 290 MMcf/d Waha Gas Plant in Texas Unexpectedly Shut Down June 10

Regency reported the acid gas injector (AGI) compressor shut on high first stage temperature due to unexpected shutdown of the plant. The plant was brought back online and within proper operating parameters for the AGI to be reset and restarted. The AGI flare and flare volume meter were in service during the downtime of the compressor.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=199621>

Other News

Nothing to report.

International News

Iraq's 300,000 b/d Baiji Oil Refinery Under Government Control Despite Rebel Offensive – Oil Minister

Iraq's largest oil refinery at Baiji remained under government control on Thursday after Sunni rebels' offensive through northern Iraq, the Iraqi oil minister said. Iraq was not importing any additional fuel and stored supplies of gasoline and diesel were good, according to the oil minister. The country's crude oil exports from its southern terminal at Basra were running at an average 2.6-2.7 million b/d as of Wednesday, he said. Militants from an al Qaeda splinter group, who seized the city of Mosul this week, advanced into the oil refinery town of Baiji on Wednesday, setting the court house and police station on fire. Security officials said additional special forces troops were sent to secure energy installations in Baiji on Wednesday, including the refinery and a nearby major power station.

Reuters, 6:45 June 12, 2014

Turkey Says Oil Flow from Iraqi Kurdistan Continuing at 100,000 b/d, Unaffected By Violence

Turkey's energy minister on Wednesday said the flow of crude oil from Iraqi Kurdistan to Turkey's Mediterranean port of Ceyhan was unaffected by the violence in Iraq and was continuing at around 100,000 b/d. Iraqi Kurdistan exported its first oil cargoes via Ceyhan last month, defying the Baghdad government, which claims sole authority over Iraqi crude oil.

http://www.downstreamtoday.com/news/article.aspx?a_id=43467

Energy Prices

U.S. Oil and Gas Prices			
June 12, 2014			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	106.48	102.33	95.91
NATURAL GAS Henry Hub \$/Million Btu	4.50	4.69	3.77

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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