



ENERGY ASSURANCE DAILY

Wednesday Evening, July 30, 2014

Electricity

Update: Restoration Continues to Over 9,000 DTE Customers in Michigan July 30 after July 27 Storms

Strong storms producing lightning and wind gusts up to 70 mph hit southeast Michigan Sunday afternoon, knocking out power to over 186,000 DTE Energy customers. As of 11 a.m. local time today, DTE had restored power to 177,000 customers and approximately 9,000 customers remained without power. DTE said the majority of those customers were expected to have their power restored by late Wednesday night.

<https://www2.dteenergy.com/wps/portal/dte/residential/problemsSafety/details/outage%20center>

Update: Dynegy, LLC's Moss Landing Gas-fired 510 MW Unit 2 and 754 MW Unit 6 in California Return to Service by July 29

The units returned from an unplanned outage that began by July 28.

<http://content.aiso.com/unitstatus/data/unitstatus201407291515.html>

SRP's 2,409 MW Navajo Generating Station in Arizona Will Cease Operations in 2044

The U.S. Environmental Protection Agency announced July 28 that the Navajo Generating Station in Arizona will produce one-third less energy by 2020 and will cease operations in 2044 in order to cut haze-causing emissions of nitrogen oxide at public places. The agreement will place the coal-fired power plant within federal government proposal standards. The plant is owned by several entities, including the Bureau of Reclamation, the Los Angeles Department of Water and Power, Arizona Public Service, NV Energy, Tucson Electric Project and Salt River Project, which also operates the plant.

<http://yosemite.epa.gov/opa/admpress.nsf/596e17d7cac720848525781f0043629e/e26806c557e820e485257d2300664dfa!OpenDocument>

<http://www.ngspower.com/latest.aspx>

<http://abcnews.go.com/Health/wireStory/wests-largest-coal-fired-plant-track-close-24745482>

NextEra Receives Approval to Develop 102 MW Goshen Wind Energy Centre in Ontario

NextEra Energy Inc. (NEE) has been approved by the Ontario Ministry of Environment and Climate Change to build a 60-turbine, 102 MW wind farm near the Lake Huron shoreline. NextEra's Canada unit expects to begin construction in the third quarter and complete the Goshen Wind Energy Centre by early 2015, a company spokeswoman said.

<http://www.bloomberg.com/news/2014-07-29/nextera-approved-to-develop-300-million-wind-farm-in-ontario.html?cmpid=yhoo>

Petroleum

ExxonMobil Restarted Southern Leg of Its Pegasus Crude Oil Pipeline in Texas July 9

ExxonMobil restarted the southern part of its Pegasus oil pipeline on July 9, a year after a crude spill in Mayflower, Arkansas, forced the company to shut the entire line, news website ArkansasOnline reported on Wednesday. The U.S. Pipeline and Hazardous Materials Safety Administration (PHMSA) had allowed Exxon to restart the southern section of the pipeline late March. The southern leg of the line runs from Corsicana, Texas, just south of Dallas, to Beaumont and Nederland on the Gulf Coast.

Reuters, 8:23 July 30, 2014

Fill Starts on Tallgrass Energy Partners' 230,000 b/d Pony Express Oil Pipeline, Shipments Seen in October

Line fill on the Pony Express Pipeline carrying crude from Wyoming to Oklahoma began last week although commercial shipments are expected to be delayed until the fourth quarter, market sources said on Tuesday.

The pipeline, which was originally set to start up in August, has been pushed back by several months, two trading sources said. They indicated that the majority of shipments was now expected to start for October. Line fill on the pipeline was first reported by Genscape, which said it would take 25–40 days to fill with a total of 2 million barrels at a rate of 50,000–80,000 b/d. The Pony Express pipeline includes a 430-mile converted natural gas pipeline and a new 260-mile line that will carry light crude in North Dakota's Bakken shale plays from Guernsey, Wyoming, into Cushing, Oklahoma. The new extension moves oil from Lincoln County, Kansas to Payne County, Oklahoma.

Reuters, 17:28 July 29, 2014

Natural Gas

Williams' Transco Says Unplanned Work to Hit Flow on 1.9 Bcf/d Leidy Natural Gas Line in Pennsylvania

Williams' Transco gas unit said it was performing unplanned maintenance at compressor station 515 in Bear Creek, Pennsylvania which would affect west-to-east flow on the Leidy natural gas line. Williams' said the maintenance could last at least two weeks.

<http://www.1line.williams.com/1Line/wgp/download?delvid=5928152&hfNoticeFlag=Y&hfDownloadFlag=false&hfFileName=download.html>

<http://www.1line.williams.com/ebbCode/OACreport.jsp?MapSegmentID=120>

Reuters, 15:51 July 29, 2014

Williams Partners Announces Fully Contracted 180 MMcf/d Garden State Expansion Project along New Jersey Coast

Williams Partners L.P. and its wholly owned subsidiary Transcontinental Gas Pipe Line Company, LLC (Transco) today announced a fully contracted expansion project designed to deliver 180 MMcf/d of additional natural gas capacity for local distribution along the Eastern Seaboard. The Garden State Expansion Project consists of additional compression to provide 180 MMcf of firm natural gas transportation service and increased reliability to a local gas distribution company along the New Jersey coast that was affected by Hurricane Sandy. The project would provide firm transportation from Transco's Zone 6 Station in Somerset County, New Jersey to a new interconnection on Transco's Trenton Woodbury Lateral in Burlington County, New Jersey. Williams Partners plans to place the project into service in phases with the first phase in 2016 and the second in 2017, assuming timely receipt of necessary regulatory approvals.

<http://www.williamspl.com/profiles/investor/ResLibraryView.asp?ResLibraryID=71520&BzID=1296&g=345&Nav=0&LangID=1&s=0>

Kinder Morgan Announces Initial Anchor Shippers for 500 MMcf/d Northeast Energy Direct Project

Kinder Morgan Energy Partners, L.P. today announced it reached agreement with key local natural gas distribution companies (LDCs) throughout New England to transport approximately 500 MMcf/d of long-term firm transportation on the market path component of Tennessee Gas Pipeline Company's (TGP) Northeast Energy Direct Project. Northeast Energy Direct has capacity scalable from approximately 800 MMcf/d to 1.2 Bcf/d, or ultimately up to 2.2 Bcf/d, depending on final customer commitments. Capacity will include a combination of new pipeline, existing pipeline, additional pipeline loops, new compressor stations, station modifications and metering and measurement equipment in Pennsylvania, New York, Massachusetts, Connecticut, New Hampshire, and Rhode Island. TGP plans to begin the pre-filing process with the Federal Energy Regulatory Commission in September 2014. Subject to receiving sufficient commitments for capacity as well as regulatory approval, the project is expected to begin service in November 2018.

<http://phx.corporate-ir.net/phoenix.zhtml?c=93621&p=irol-newsArticle&ID=1953010&highlight>

PG&E Charged With Obstruction Over 2010 Pipeline Explosion in San Bruno, California

A federal grand jury charged Pacific Gas & Electric (PG&E) on Tuesday with lying to federal investigators in connection with a fatal pipeline explosion that killed eight people and leveled a suburban Northern California neighborhood in 2010. The U.S. attorney in San Francisco announced the obstruction of justice charge and 27 related counts, which are in a new indictment charging the utility with felonies. It replaces a previous indictment that contained 12 counts related to PG&E's safety practices, but not obstruction. Prosecutors say PG&E hampered the investigation by lying to National Transportation Safety Board (NTSB) investigators after the blast. In particular, PG&E officials are accused of trying to mislead the NTSB about the pipeline testing and maintenance procedures the utility was following at the time of the explosion and for six months after under a company policy that did not meet federal safety standards. The other charges accuse the utility of failing to act on threats in its pipeline system even after the problems were identified by its own inspectors. The indictment charges PG&E with keeping shoddy records, failing to identify safety threats and failing to act when threats were found. NTSB investigators later found that PG&E had inaccurate records on its more than 6,000 miles of gas transmission lines, and that as a result hadn't tested for the defective seam weld that ruptured a pipeline and ignited the fireball that leveled several blocks and left eight people dead in San Bruno. The new charges expose PG&E to more than \$1 billion in fines. It had previously faced up to a \$6 million fine under the old indictment.

<http://www.bradenton.com/2014/07/29/5277531/pge-charged-with-obstruction-over.html#storylink=cpy>

Other News

Nothing to report.

International News

Update: Judge Says U.S. Marshalls Can't Seize 1 Million Barrels of Kurdish Crude Oil from Tanker off Texas Coast

A federal magistrate judge ruled Tuesday that U.S. Marshals would not be able to carry out her earlier order to seize a million barrels of Kurdish crude oil unless the United Kalavrvta tanker carrying the cargo comes closer to the Texas shore. The judge said that the tanker was not within the boundaries of the state or the court's authority. She also said that the matter of who owned the oil should be decided in Iraq, not the U.S. On Monday, the judge had ordered the cargo seized in response to a complaint filed by the Iraqi government claiming the oil was smuggled out of Kurdistan without its permission.

<http://www.foxnews.com/politics/2014/07/30/us-bars-kurdish-oil-from-entering-texas-port/>

Iraqi Kurdish Crude Oil Pipeline Stopped due to Full Storage Tanks at Ceyhan Port, Turkey

Iraqi Kurdistan's attempts to export oil independently of Baghdad hit another obstacle on Wednesday, as a Turkish energy official and industry sources said the autonomous region's pipeline to the Mediterranean has been shut for the past week. The Kurdistan Regional Government (KRG) began selling its oil via a new pipeline through Turkey in May, but so far has only successfully sold and delivered one tanker filled with oil from the line. Baghdad has threatened oil traders and put diplomatic pressure on governments not to buy the Kurdish crude. One Kurdish tanker, the United Leadership, has been anchored off Morocco for almost two months. Another, the United Emblem, has sailed to Asia, and is now anchored off Malaysia. Unable to deliver its crude, storage tanks for Kurdish crude at the Ceyhan port in Turkey have backed up and are now at capacity, forcing the KRG to shut off its pipeline. A source familiar with the matter said there was no flow at the moment and it was stopped about a week ago.

Reuters, 10:59 July 30, 2014

Yemen's 110,000 b/d Maarib Pipeline Attacked, Halting Crude Flows

Yemen's Maarib oil export pipeline was attacked on Wednesday, a local official said, halting crude flows. The latest attack happened in the Wady Obaida area of the central oil-producing province of Maarib, halting the flow of crude to the Ras Isa oil terminal on the Red Sea, the local official said. The pipeline was last repaired on July 24 after it was blown up on July 12.

Reuters, 11:55 July 30, 2014

Update: Kazakhstan's Kashagan's Oilfield May Resume Production Later in 2016 – Oil and Gas Minister

Kazakhstan's Kashagan oilfield may resume production in the first half of 2016 under an "optimistic scenario," Kazakh Oil and Gas Minister said on Wednesday, putting off his earlier estimate of an early 2016 restart date. Production began in September 2013 but was halted in October after gas leaks in the field's pipeline network were detected. Recoverable reserves at Kashagan are estimated at 9 billion to 13 billion barrels of oil.
Reuters, 6:36 July 30, 2014

Energy Prices

U.S. Oil and Gas Prices			
July 30, 2014			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	104.79	103.78	102.95
NATURAL GAS Henry Hub \$/Million Btu	3.75	3.79	3.49

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>

Please direct comments and questions to: ead@oe.netl.doe.gov