



ENERGY ASSURANCE DAILY

Friday Evening, August 07, 2015

Major Developments

OE/ISER Situation Report: Super Typhoon Soudelor

http://www.oe.netl.doe.gov/named_event.aspx?ID=76

Electricity

Update: Over 6,600 MLGW Customers Remain Without Power August 7 after Storms Hit Tennessee August 5

Severe thunderstorms moved through Tennessee Wednesday afternoon knocking out power to 67,842 MLGW customers. MLGW said it would continue to work around the clock to restore services and was estimating full restoration by midnight on Sunday. As of 3:30 p.m. EDT Friday, 6,655 customers remained without power.

http://www.mlgw.com/news/news_restored_power-6-6-15-2

<http://azimuth.mlgw.org/OutageSummary.php>

Update: Restoration Nearly Complete for Consumers Energy Customers August 7 after Strong Storms Hit Michigan August 2

Consumers Energy said power was nearly fully restored by midnight on Thursday except approximately 1,200 customers in the Glen Lake area of Leelanau County who are expected to have power restored by 4 p.m. EDT Friday. On Sunday, strong storms moved across Michigan knocking out power to 170,000 Consumers Energy customers.

<http://www.consumersenergy.com/outagemap>

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

Thunderstorms Knock Out Power to 20,000 SCE&G Customers in South Carolina August 6; Restoration Nearly Complete August 7

A line of severe thunderstorms with heavy rain and strong winds knocked out power to nearly 20,000 South Carolina Electric and Gas (SCE&G) customers Thursday evening. Crews worked overnight to restore power to customers. As of 3:30 p.m. EDT Friday, 525 customers remained without power.

<https://www.sceg.com/outages-emergencies/power-outages/outage-map>

<http://www.wistv.com/story/29729265/thousands-without-power-in-midlands>

Update: Power Restoration Complete for PSEG Long Island, National Grid Customers August 7 after Thunderstorms Hit Rhode Island, New York August 4

PSEG Long Island reported as of 4:30 a.m. EDT Friday, all customers affected by Tuesday's storm had their power restored. National Grid reported full restoration on Friday afternoon. A line of powerful thunderstorms with strong winds knocked out power to 121,427 National Grid customers in Rhode Island and 80,000 PSEG Long Island customers in New York on Tuesday morning.

<https://www.psegliny.com/c.cfm/Outage>

<https://www.psegliny.com/page.cfm/AboutUs/PressReleases/2015/080715-stormupdate12>

<https://twitter.com/nationalgridus?lang=en>

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

Update: ERCOT Reports High Temperatures Push Hourly Demand to New Record Levels Twice in One Day in Texas August 5

In two consecutive hours on Thursday, the Electric Reliability Council of Texas (ERCOT) system beat the hourly demand record set the previous day, peaking at 68,912 MW between 4 and 5 p.m. CDT. At 68,538 MW, hourly demand between 3 and 4 p.m. EDT also beat Wednesday's new record. ERCOT's director of System Operations said it was expecting demand to remain at very high levels as temperatures stay above 100 degrees the next few days in most of Texas.

http://www.ercot.com/news/press_releases/show/72967

Duke Energy's 1,100 MW McGuire Nuclear Unit 2 in North Carolina Reduced to 22 Percent by August 7

On the morning of August 6 the unit was operating at full power.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2015/>

Exelon's 1,111 MW La Salle Nuclear Unit 2 in Illinois Reduced to 10 Percent by August 7

On the morning of August 6 the unit was operating at full power.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2015/>

Petroleum

Update: Kentucky Department of Environmental Protection Confirms Units Shut at Marathon's 240,000 b/d Catlettsburg, Kentucky Refinery August 7

All units at Marathon's Catlettsburg, Kentucky refinery were still either down or in recirculation Friday after the refinery experienced a power outage on Sunday resulting in a plant-wide shut down. The Kentucky Department of Environmental Protection said it was believed that the units would have already been starting back up, but there was some issues with the hydrogen plant next door which has delayed start up.

Reuters, 12:52 August 7, 2015

Tesoro Reports Unit Trip, Sulfur Dioxide Emissions at Its 166,000 b/d Martinez, California Refinery August 7

Tesoro Corp reported an unspecified unit trip and sulfur dioxide emissions at its Martinez, California refinery.

Reuters, 10:16 August 7, 2015

Reuters, 2:30 August 7, 2015

Center for Biological Diversity Petitions U.S. Agencies to Inspect Offshore California Pipelines

An environmental group petitioned the U.S. Transportation Department's Pipeline and Hazardous Materials Safety Administration and the Interior Department's Bureau of Safety and Environmental Enforcement on Thursday to immediately inspect more than 200 miles of undersea oil pipelines off California's coast. The Center for Biological Diversity cited extensive corrosion that is believed to have caused an onshore pipeline to burst in May west of Santa Barbara. The failed pipeline, which had been inspected by Plains All American Pipeline weeks before the rupture, is decades younger than much of California's offshore infrastructure, the group said in its petition. Two weeks before the spill, Plains had reported to federal regulators that the section of pipe that burst had lost about 45 percent of its original wall thickness. After the spill, third-party inspectors found that corrosion had degraded the wall thickness to just 1/16th of an inch, beyond the 45 percent metal loss Plains had reported. Not only are many of California's offshore pipelines older than the Plains onshore line but they are subject to greater wear and tear from saltwater, surf, storms, and subsea pressure, the petition said.

Reuters, 18:53 August 6, 2015

Questar Delays 120,000 b/d Rail Project in California August 6

Questar Corp's Chief Executive said on Thursday that the company has indefinitely delayed its joint-venture project with Spectra Energy to build a rail offloading facility in Essex, California because the company couldn't find a suitable site for the facility. The company had proposed the rail facility to offload oil into a 96-mile segment of its converted Southern Trails crude oil pipeline which connects to a distribution in Long Beach. The companies are considering alternatives, including other rail terminal sites and conversion of the entire pipeline to move crude oil from the San Juan Basin. Some conversion alternatives may require building a 110-mile pipeline segment in California to reconnect the eastern and western portions of Southern Trails. Questar said it was also evaluating options to sell the pipeline and expects to decide by the end of 2015.

Reuters, 17:27 August 6, 2015

Global Partners Receives Approval to Expand Railport to Handle Up to 120,000 b/d in Oregon August 6

Global Partners said on Thursday it received a necessary permit to upgrade a dock at its Clatskanie, Oregon railport to handle up to 120,000 b/d. The dock project will also upgrade infrastructure to handle Panamax-sized vessels. The railport is slated to start up in late 2015 or early 2016, and dock construction to start in the fourth quarter of 2015.

Reuters, 17:27 August 6, 2015

TransCanada Contributes Portion of Its 20-Inch Grand Rapids Diluent Pipeline to Keyera Joint Venture in Alberta

TransCanada Corporation on Thursday announced that the Grand Rapids Pipeline Limited Partnership entered into an agreement to contribute the southernmost portion of the diluent Grand Rapids Pipeline into a 50/50 joint venture with Keyera Corp. The 28-mile pipeline will be constructed by Grand Rapids and will extend from Keyera's Edmonton Terminal to TransCanada's Heartland Terminal near Fort Saskatchewan. Keyera will also contribute a new pump station at its Edmonton terminal, and will operate the pipeline once construction is complete and the facilities are in-service. The expected in-service date is in the second half of 2017 subject to regulatory approvals.

<http://www.transcanada.com/news-releases-article.html?id=1974751&t>

ExxonMobil Signs Agreements to Increase Position in Permian Basin in Texas August 6

ExxonMobil Corporation on Thursday announced it executed two agreements to obtain horizontal development rights in 48,000 acres in the core of the Midland Basin. The two agreements include an acquisition and farm-in adjoining ExxonMobil's subsidiary XTO Energy's existing acreage position in Martin and Midland Counties, providing rights to all intervals within the basin. XTO is currently operating 11 horizontal and four vertical rigs across its Permian Basin leasehold of more than 1.5 million net acres, with net oil-equivalent production exceeding 115,000 b/d.

<http://news.exxonmobil.com/press-release/exxonmobil-signs-agreements-increase-position-permian-basin>

Natural Gas

Williams Companies Reports Gas Explosion, Fire on Its Natural Gas Pipeline in Colorado August 6

A 6-inch natural gas liquids pipeline belonging to Williams Companies was on fire on Thursday after it was struck by a third-party conducting excavation in Weld County, Colorado. There were no injuries, the fire was put out, and the pipeline was shut, a company spokeswoman said. Williams operates a joint venture Overland Pass Pipeline which includes a 760-mile natural gas liquids line from Opal, Wyoming to Conway, Kansas, along with 150-mile and 125-mile extensions into the Piceance and Denver-Julesburg Basins in Colorado.

Reuters, 23:28 August 6, 2015

Reuters, 13:53 August 7, 2015

Alliance Pipeline Shuts Its 1.6 Bcf/d Natural Gas Mainline in Western Canada

Alliance Pipeline shut its natural gas mainline in Western Canada on Friday after poisonous hydrogen-sulfide gas got into the system, forcing at least one shipper to suspend production. The 2,391-mile Alliance Pipeline delivers natural gas from Western Canada and North Dakota's Williston Basin to the Chicago market hub. The company did not give any estimate of when the pipeline would restart. Hydrogen sulfide entered the mainline pipeline system as a result of complications experienced by an unnamed upstream operator, the company said. Seven Generations Energy, a shipper on the Alliance system, said the pipeline company had called for all natural gas suppliers to suspend pipeline injections for an indeterminate period starting on Friday morning. Seven Generations, a light oil producer, has been forced to shut in 55,000 b/d of oil equivalent, its entire production, as a result. An Alliance spokesman could not give details of exactly how the hydrogen sulfide gas entered the system and said the company's first priority was to manage the situation safely. Alliance plans to get rid of the natural gas that has been affected by flaring it at its Alameda compressor station in Saskatchewan.

<http://www.alliancepipeline.com/Media/PressRelease/Pages/Alliance%20Pipeline%20to%20Shutdown%20Mainline%20Pipeline%20System.aspx>

Reuters, 10:51 August 7, 2015

Southern Union Reports Unit Shut at Its Keystone Gas Plant in Texas August 5

Southern Union reported a unit shut due to a short out wire in the cooling fan. The motor for the fan was rewired and operations asked production to reduce inlet volume while the unit was down for repairs.

<http://www2.tceq.texas.gov/oce/eer/index.cfm?fuseaction=main.getDetails&target=218374>

Regency Reports AGI Compressor Shut at Its 290 MMcf/d Waha Gas Plant in Texas August 5

Regency reported an electrical short in a junction box caused a fuse to blow shutting down the acid gas injector (AGI) compressor. The electrical short was repaired, the fuse was replaced, and the AGI compressor was reset and restarted.

<http://www2.tceq.texas.gov/oce/eer/index.cfm?fuseaction=main.getDetails&target=218383>

Other News

Nothing to report.

International News

Nothing to report.

Energy Prices

| U.S. Oil and Gas Prices | | | |
|--|-------|----------|----------|
| August 7, 2015 | | | |
| | Today | Week Ago | Year Ago |
| CRUDE OIL West Texas Intermediate U.S. \$/Barrel | 43.82 | 47.06 | 97.19 |
| NATURAL GAS Henry Hub \$/Million Btu | 2.76 | 2.85 | 3.97 |

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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