



ENERGY ASSURANCE DAILY

Wednesday Evening, September 03, 2014

Electricity

Dynergy's 215 MW Hennepin Power Station Coal-fired Unit 2 in Illinois Shut Due to Transformer Fire September 2

Dynergy Inc. was forced to shut one of two units at its Hennepin power station in Putnam, Illinois, approximately 115 miles southwest of Chicago, Tuesday due to a fire in a transformer in the station's switchyard. Nobody was hurt, and the company is investigating whether there was any damage to the plant.

<http://www.washingtontimes.com/news/2014/sep/2/fire-forces-partial-shutdown-of-n-ill-coal-plant/>
<http://newstrib.com/main.asp?SectionID=2&SubSectionID=126&ArticleID=38809>

Duke Energy Plans Grid Upgrade to Reduce Outages in Indiana

Duke Energy Indiana, a unit of Duke Energy Corp., has filed a plan with the Indiana Utility Regulatory Commission to modernize its statewide electric grid to help reduce power outages. Under the plan, Duke intends to replace substations, utility poles, power lines, transformers, and other older parts of the grid. The project, worth \$1.9 billion, is estimated to take seven years.

<http://finance.yahoo.com/news/duke-energy-indiana-unit-aims-215502465.html>

Petroleum

Phillips 66 Plans to Add Railcars to Move Up to 185,000 b/d to East and West Coast Refineries

Phillips 66 said Wednesday that it plans to buy more railcars so it can eventually move up to 185,000 b/d of crude oil, including output from the Bakken Shale and Canada, to its refineries on the east and west coast. The company has increased the amount of railcars it has already bought, or has on order, from 3,200 to 3,700. This increased capacity would enable the company to provide oil to its 238,000 b/d Bayway refinery in Linden, New Jersey; its 100,000 b/d Ferndale refinery in Washington state, which is on track to start up in the fourth quarter of 2014; and the Santa Maria and Rodeo, California, refineries with a combined capacity of 120,200 b/d. Phillips is in the process of obtaining permits for a rail offloading project at the Santa Maria refinery, which would allow approximately 40,000 b/d of heavy crude to be offloaded.

Reuters, 12:31 September 3, 2014

Pembina to Develop 37,000 b/d Propane Export Facility in Portland, Oregon

Pembina Pipeline Corp. has selected the site for the Company's planned West Coast propane export terminal project. On August 28, Pembina entered into an agreement with the Port of Portland, Oregon (the "Port") that sets forth the terminal site, which includes an existing marine berth, located within the city of Portland for the development of the Project. Pembina intends to initially develop a 37,000 b/d propane export facility with an anticipated in-service date of early-2018. The Company expects that the West Coast Terminal will provide growing Canadian propane supply (that is derived from natural gas produced in Western Canada) with access to large, international markets. The Port is located in the city of Portland along the Columbia and Willamette rivers. The Columbia River provides deep water access to the Pacific Ocean. The Port has lands available for the installation of storage, piping and rail facilities and marine infrastructure associated with Pembina's Project.

<http://pembina.mediaroom.com/index.php?s=10336&item=135242>

Valero Reports SRU Upset at Its 225,000 b/d Texas City, Texas Refinery September 2

Valero Energy Corp. said an upset in the sulfur recovery unit (SRU) of its Texas City, Texas, refinery caused brief flaring on Tuesday. The upset was caused by a problem with a control panel, but the company said there was no widespread outage.

Reuters, 13:03 September 2, 2014

Valero Reports Malfunction at Its 200,000 b/d Corpus Christi, Texas Refinery August 31

Valero Energy Corp's 200,000 b/d Corpus Christi, Texas, refinery reported a malfunction on Saturday, according to a notice filed with the Texas Commission on Environmental Quality. The malfunction triggered the refinery's safety flare system and lasted for about five hours, causing the release of 5,000 pounds each of carbon monoxide, sulfur dioxide, volatile organic compounds along with smaller amounts of nitrogen oxide, and hydrogen sulfide, according to the notice.

Reuters, 14:31 August 31, 2014

Natural Gas

Update: PG&E Fined \$1.4 Billion Over 2010 Pipeline Explosion in San Bruno, California September 2

The California Public Utilities Commission on Tuesday fined Pacific Gas and Electric Co. (PG&E) \$1.4 billion in connection with a fatal pipeline explosion that killed eight people and leveled a suburban Northern California neighborhood in 2010. This is the largest safety-related penalty ever imposed by the commission, the agency said. Two Administrative Law Judges issued three decisions establishing the number of violations in connection with various investigations. In the fourth decision, the Administrative Law Judges impose a penalty based on the total number of violations. They found that in total, PG&E committed 3,798 violations of state and federal laws, rules, standards, or regulations in connection with the operations and practices of its gas transmission system pipeline, including the 2010 explosion. Many of these violations continued for several years, resulting in a total of 18,447,803 days in violation. This fine stems from a July grand jury charge against PG&E of obstruction of justice and 27 related counts. The fine comprises \$950 million to be paid to the state treasury, \$400 million to a PG&E plan to boost pipeline safety and an estimated \$50 million earmarked for more than 75 specific safety remedies ordered by the commission. The penalty will go into effect in 30 days, unless any party, including PG&E, files an appeal or a panel member requests a review of the decision.

<http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M105/K451/105451860.PDF>

Enable Midstream Approves Additional 200 MMcf/d Natural Gas Processing Facility in Oklahoma

Enable Midstream Partners, LP said Wednesday that it was moving ahead with plan to construct a 200 MMcf/d natural gas processing facility in Grady County, Oklahoma. The new facility would be located near the Bradley Processing plant, which is currently under construction to provide 200 MMcf/d processing capacity to the South Central Oklahoma Oil Province or SCOOP. It is expected to be in service during the first quarter of 2015. The project also includes expansion of the Bradley Plant condensate processing capacity to 10,000 bbl/d and will bring the company's super-header processing capacity in the Anadarko Basin to 1.685 Bcf/d.

<http://finance.yahoo.com/news/enable-midstream-announces-natural-gas-114500714.html>

Other News

Nothing to report.

Tropical Storm Dolly Downgraded after Hitting Mexico's Northeast Coast; Two Oil Export Terminals Reopen September 3

Tropical storm Dolly was downgraded to a tropical depression Wednesday, after impacting Mexico's northeast coast on Tuesday night, the U.S. National Hurricane Center (NHC) said. The storm, which formed in the southern Gulf of Mexico early on Tuesday, forced two of Mexico's three major crude oil export terminals to close. However, according to the Mexican Communications and Transport Ministry, the Cayo Arcas port and the Dos Bocas hub have been reopened. The Coatzacoalcos terminal remained open the entire time.

http://www.nhc.noaa.gov/text/refresh/MIATWOAT+shtml/031152_MIATWOAT.shtml

<http://www.sun-sentinel.com/sns-rt-us-storm-dolly-nhc-20140902.0.7698727.story>

Reuters, 12:06 September 3, 2014

Armed Pirates Attack Petroleum Products Tanker Near Ivory Coast August 27

According to the International Maritime Bureau (IMB), armed Nigeria-based pirates attacked a petroleum products tanker near the Ivory Coast's port of Abidjan last week. IMB said the pirates boarded the tanker, took all crew members hostage, and destroyed the vessel's navigation equipment. However, the tanker was not damaged. Pirate attacks in West Africa's Gulf of Guinea have almost doubled from last year, with the vast majority carried out by criminal gangs based in Nigeria.

http://www.rigzone.com/news/oil_gas/a/134832/Pirates_Attack_Products_Tanker_Off_Ivory_Coast

Update: Gulf Keystone Returns Staff to Shaikan Oilfield in Iraqi Kurdistan

Gulf Keystone Petroleum said Wednesday that it planned to return some of its international contractors to Iraqi Kurdistan this week following their evacuation last month because of escalating violence. The company said the return of approximately 44 evacuated staff was essential to meeting its year-end target of increasing output at the oilfield to 40,000 barrels of oil equivalent per day (boepd), up from 20,000 to 25,000 boepd currently.

Reuters, 7:52 September 3, 2014

Update: Libya's Oil Production Rises to 725,000 b/d – NOC

Libya's oil production rose to 725,000 b/d from 700,000 b/d earlier this week, a spokesperson for the state-run National Oil Corp (NOC) said on Wednesday. Oil production in Libya is now more than five times the level of two months ago.

Reuters, 9:01 September 3, 2014

Energy Prices

U.S. Oil and Gas Prices			
September 3, 2014			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	94.53	95.56	107.88
NATURAL GAS Henry Hub \$/Million Btu	4.01	3.94	3.66

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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