



ENERGY ASSURANCE DAILY

Friday Evening, September 12, 2014

Electricity

Update: FBI Says No Indication 2013 Attack on PG&E Substation in California Was Act of Terrorism

John Lightfoot, who manages the FBI's counterterrorism efforts in the San Francisco Bay Area, on Tuesday said that there was no indication the April 2013 shooting of a Pacific Gas & Electric (PG&E) power station outside San Jose, California, was an act of terrorism, reiterating the bureau's position. The attack last year appears to have involved only one shooter and did not require access to technology or a high degree of training, the FBI said. Jon Wellenbush, former head of the Federal Energy Regulatory Commission, has called the attack a sophisticated act of terrorism and raised concerns about the security of the nation's power grid. Other officials echoed his concerns. The incident began when one or more people lifted heavy manhole covers south of San Jose, climbed under the road and cut AT&T fiber optic cables, temporarily knocking out 911 service and phone service, sheriff's officials have said. About 15 minutes later, someone fired a high-powered rifle into a nearby PG&E substation, damaging numerous transformers.

<http://newsok.com/fbi-2013-attack-on-power-grid-easy-to-execute/article/feed/734042/?page=2>

Update: PSE&G's 1,049 MW Hope Creek Nuclear Unit 1 in New Jersey Ramps Up to 71 Percent by September 12

By the morning of September 11 the unit had restarted and was operating at 25 percent. The unit was shut September 5 due to a malfunctioning relief valve.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2014/>
http://www.nj.com/salem/index.ssf/2014/09/post_138.html

Update: FPL's 839 MW Saint Lucie Nuclear Unit 1 in Florida at Full Power by September 12

On the morning of September 11 the unit was operating at 85 percent, down from 95 percent by September 10.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2014/>

Petroleum

Par Petroleum Not Closing Its 94,000 b/d Kapolei, Hawaii Refinery – CEO

The CEO of Par Petroleum, the parent company of Hawaii Independent Energy, on Thursday said the company had no plans to close the Kapolei refinery it bought from Tesoro Corp last year. A source had said that the refinery could close when Hawaiian Electric Co. announced it would not renew a fuel supply contract with Hawaii Independent Energy after it ends December 31. Par Petroleum CEO said in an interview with Pacific Business News, that there were other alternatives that the company was looking into, including supplying the state's shipping and air transportation industries as well as exporting products to Asia..

<http://www.bizjournals.com/pacific/news/2014/09/11/par-petroleum-not-closing-hawaii-refinery-ceo.html>

3,000 Gallon Petroleum Product Spill Found on Sand Island, Hawaii

The Hawaii State Department of Health was investigating the underground release of 3,000 gallons of petroleum product on Sand Island, found in a construction trench on the street that leads to the Keehi Boat Harbor. The trench was being dug for Honolulu Marine LLC. A coordinator for the Office of Hazard Evaluation & Emergency Response said the company was installing a water trench and on the process came across oil. The trench, on Sand Island, was between two petroleum product storage terminals owned by Hawaii Independent Energy and Hawaii Fueling Facilities Corporation. The state said neither the operators nor the companies digging the trench reported the oil release. The Health Department took samples to determine whether the product was diesel, jet fuel, or another product and was working with the operators and the companies digging the trench to investigate the release. An industrial and hazardous waste management company pumped out and disposed of more than 3,000 gallons of petroleum.

<http://www.hawaii.newsnow.com/story/26513463/3000-gallons-of-oil-released-near-keehi-boat-harbor>

Coast Guard Not Adequately Prepared for Heavy Oil Spill on Great Lakes

The U.S. Coast Guard and other responders are not adequately equipped or prepared for a “heavy oil” spill on the Great Lakes, according to a Coast Guard commander who is pushing for action. A major oil spill could severely damage the multibillion-dollar fishing and recreational boating industries. Rear Adm. Fred Midgette, commander of the Coast Guard’s District 9, which includes the Great Lakes, said everyone involved in spill response on the Great Lakes was moving with a sense of urgency to come up with a plan to address a major spill.

<http://www.usatoday.com/story/news/nation/2014/09/10/great-lakes-face-oil-spill-peril-coast-guard-warns/15425489/>

Minnesota PUC Orders Expanded Study of Alternate Routes for Enbridge’s 225,000 b/d Sandpiper Pipeline

The Minnesota Public Utilities Commission (PUC) On Thursday requested an expanded study of possible routes for Enbridge’s 616-mile, 24-inch Sandpiper crude oil pipeline through the state. Enbridge wants to build the pipeline through northern Minnesota to carry North Dakota oil to Wisconsin. The commission called for further study of the environmental impact of six possible routes suggested by critics of Enbridge’s planned route, which crosses many rivers, lakes, and wetlands. Enbridge says the alternative routes would be longer and more costly. Most of them don’t end in its intended destination of Superior, Wisconsin. The company wants to win approval for the pipeline early next year and finish it in 2016.

<http://www.brandonsun.com/business/breaking-news/minnesota-regulators-order-broader-study-of-6-alternate-routes-for-enbridge-pipeline-274861041.html>

<http://www.enbridge.com/SandpiperProject/Project-Overview.aspx>

NGL Energy and Rimrock Midstream Announce Open Season on 130,000 b/d Grand Mesa Pipeline from Colorado to Oklahoma

NGL Energy Partners LP and Rimrock Midstream, LLC today announced a binding open season starting September 15 for their joint venture Grand Mesa Pipeline, LLC crude oil pipeline. The open season will close on Friday, October 3. The Grand Mesa pipeline, originating in Weld County, Colorado, and extending 550 miles southeast to NGL’s crude oil storage terminal at the Cushing hub in Oklahoma, will provide critical takeaway capacity for crude oil producers in the Denver-Julesburg Basin. As proposed, the pipeline will be capable of receiving and transporting in excess of 130,000 b/d for delivery into the Cushing hub, which affords shippers access to the U.S. Midcontinent markets and the Texas Gulf Coast refinery complex.

<http://www.nglenergypartners.com/investor-relations/news/>

Natural Gas

ANGA Urges New England Governors to Build Natural Gas Pipelines

America’s Natural Gas Alliance (ANGA) on Thursday wrote letters to the governors of six New England states and the New England States Committee on Electricity urging them to continue their efforts to bring new pipeline infrastructure to the region. These governors set a goal of having 1 Bcf/d of new pipeline capacity in place by the winter of 2017/2018, according to ANGA. The letters, according to ANGA, pointed out that New England is not overly reliant on natural gas-fired generation but is overly reliant on inadequately piped natural gas-fired generation. ANGA said additional pipeline infrastructure can be added in an environmentally responsible manner, bringing more supplies and less volatility to local markets in the winter.

<http://anga.us/blog/2014/9/11/anga-to-new-england-governors-build-pipelines>

Atlas Reports Compressor Shutdown at Its 200 MMcf/d Driver Gas Plant in Texas September 10

Atlas reported expander vibration knocked the residue compressors down due to a leaking gasket on the product heater unit. The plant was shut and the gaskets on the product heater were replaced. Once the product heater was put back in service, the cryogen expander was put back into service and each residue compressor was put online.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=203481>

DCP Midstream Reports Engine No. 22 Shut at Its 160 MMcf/d Goldsmith Gas Plant in Texas September 11

DCP Midstream reported the no. 22, five-pound engine went down due to the cooling fan belt breaking off. After a mechanic inspected the engine, it was determined that the support beam for the fan assembly was broken and needed repairs. Operators made adjustments to the plant and called for 8 MMcf to be cut out from the five pound inlet. The flare valve was shut once the requested gas was shut out.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=203530>

Other News

Nothing to report.

International News

U.S. Sanctions on Russia to Disrupt Oil Firm Exploration Activities

The U.S. issued sanctions against five Russian oil firms, Gazprom, Gazprom Neft, Lukoil, Surgutneftegas, and Rosneft, designed to shut down deepwater, Arctic offshore, or shale oil exploration projects, a senior U.S. official said on Friday. The sanctions were imposed due to Russia's intervention in Ukraine and would deprive those Russian companies of the goods, technology, and services that they need to do this work, the official said.

Reuters, 10:48 September 12, 2014

Reuters, 12:41 September 12, 2014

Poland Resumes Natural Gas Supplies to Ukraine after Russia Delivers Requested Amount

Poland on Friday resumed natural gas deliveries to Ukraine after receiving a pledge that Russia's Gazprom would deliver requested supplies to Polish state-run gas importer PGNiG. PGNiG said on Thursday it had received 45 percent less natural gas on Wednesday than it requested from Gazprom. It releases information about gas volumes with a one-day lag. Later in the day, Poland's economy minister said Gazprom had promised to deliver requested gas supplies to the gas importer, which did not say how much gas it had actually requested. Gaz-System, the Polish pipeline operator, said the current situation in the transmission system allowed it to resume reverse flows to Ukraine.

<http://www.reuters.com/article/2014/09/12/ukraine-crisis-gas-idUSL5N0RD1MT20140912>

ISIS Hold on Iraqi Oil Infrastructure Could Be Slipping Amid US Air Strikes, Kurdish Attacks

ISIS may be losing its hold on some of Iraq's oil infrastructure including oil fields, pumping stations, and refineries across northern Iraq, amid U.S. airstrikes and heavy fighting from Iraqi and Kurdish forces. Platts, a commodity news service, reported on August 15 ISIS held about 72,000 b/d of Iraqi oil capacity from six wells. Since then, separatist Kurdish troops have been pushing back against ISIS and the Obama administration has launched more than 150 airstrikes in the country to help halt ISIS advances. According to the International Energy Agency, Iraq's production dropped to 3.1 million b/d in July, compared to a peak of 3.6 million b/d in February.

<http://www.ibtimes.com/isis-grip-iraqi-oil-infrastructure-could-be-slipping-amid-us-air-strikes-kurdish-attacks-1686238>

<http://www.iea.org/newsroomandevents/news/2014/july/iea-releases-oil-market-report-for-july.html>

Energy Prices

U.S. Oil and Gas Prices			
September 12, 2014			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	92.89	93.57	108.87
NATURAL GAS Henry Hub \$/Million Btu	3.93	3.89	3.65

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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