



ENERGY ASSURANCE DAILY

Tuesday Evening, October 15, 2013

NOTICE: Due to the lapse in federal appropriations, content within the Energy Assurance Daily may be limited.

Electricity

Update: FBI, Joint Terrorism Task Force Arrest Suspect in Arkansas Power Grid Attacks

The Federal Bureau of Investigation (FBI) and Joint Terrorism Task Force arrested a 37-year-old Arkansas man on Sunday in connection with a series of attacks on the local power grid. The suspect was charged with destruction of an energy facility and, if convicted, could face up to 20 years in jail. The first attack on the power grid occurred on August 21, 2013, damaging a 500 kV power line in Cabot, Arkansas. A second attack occurred September 29, 2013, at a switching station in Scott, Arkansas, which was set on fire. A message at the entrance to the station read, "You should have expected U.S." On October 6, 2013, a third incident occurred close to the suspect's residence in Jacksonville, Arkansas. The FBI reported that two power poles had been cut and one pulled down causing the downing of a 115 kV transmission line and knocking power out to about 10,000 customers.

<http://www.forbes.com/sites/williampentland/2013/10/14/fbi-joint-terrorism-task-force-arrest-suspect-in-arkansas-power-grid-attacks/?partner=yahootix>

Power Supply Interruption at Duke Energy Progress Substation Leaves 40,000 GUC Customers Without Power in North Carolina October 11

On Friday night, approximately 40,000 Greenville Utilities Commission (GUC) electric customers were without power for a brief period of time due to an interruption in power supply from Duke Energy Progress. The interruption occurred at 8:12 p.m. at GUC's 230 kV Point of Delivery Substation as Duke Energy Progress employees were working on transmission circuits. Power was restored by Duke Energy Progress at 8:17 p.m.

<http://www.guc.com/outage-update>

Dynegy's 510 MW Moss Landing Gas-fired Unit 1 in California Returns to Service by October 12

The unit returned from an unplanned curtailment of 260 MW that began October 11.

<http://content.aiso.com/unitstatus/data/unitstatus201310121515.html>

Petroleum

Update: Tesoro Has No Timeline for Restart of High Plains Pipeline in North Dakota After 20,600 Barrel Crude Oil Spill

Tesoro Logistics LP said on Monday that it does not have a specific date for the restart of the North Dakota pipeline that spilled 20,600 barrels of Bakken oil onto farmland. The spill was discovered on September 29. The company reported, on October 10, a pipeline release of crude oil to soil of approximately 20,600 barrels in a rural field northeast of Tioga, North Dakota. The six-inch, 35-mile pipeline, part of the High Plains pipeline system, was carrying crude oil from the Bakken shale play to the Stampede rail facility outside Columbus, North Dakota. The affected segment of the pipeline has been temporarily shut down, the release has been stopped, and repairs are underway. Initial investigation suggests pipeline corrosion led to the leak, the state Public Service Commission said.

http://www.downstreamtoday.com/news/article.aspx?a_id=41055

<http://www.tesorologistics.com/phoenix.zhtml?c=242247&p=irol-newsArticle&ID=1863499&highlight>

ExxonMobil Shuts THUMS Oil Pipeline System in California After Discovering Spill October 14

ExxonMobil Corp. shut down the THUMS oil pipeline system at the Port of Long Beach, California, Monday after discovering a crude leak in the area. The pipeline system, which delivers crude oil produced in Long Beach Harbor to the company's 155,000 b/d refinery in Torrance, California, was taken offline "in an abundance of caution" after an oil leak was discovered in the vicinity of the system, according to an ExxonMobil spokesperson. The oil has been contained but the company did not say how much oil was released. The leak did not have an impact on any waterways, according to a filing with the California Emergency Management Agency.

<http://www.nasdaq.com/article/exxonmobil-shuts-california-oil-pipeline-after-spill-20131015-00100>

<http://online.wsj.com/article/BT-CO-20131015-702200.html>

Explosion, Fire Reported at Vess Oil Corp. Oilfield Storage Facility in Texas October 14

An explosion and a large fire were reported yesterday at the Vess Oil Company facility in Smith County, Texas. Investigators said 3 storage tanks and 1 building were burned in the fire. Vess Oil sent a representative to the scene to shut down the wells, which removed the fuel source. Firefighters said the fire was under control but they were letting it burn out.

<http://www.tylerpaper.com/TP-News+Local/187854/update-firefighters-letting-oil-field-fire-on-county-road-313-burn-itself-out>

Magellan Midstream Extends Open Season for Potential 75,000 b/d Little Rock Product Pipeline to November 4

Magellan Midstream Partners, LP announced on Monday an extension of the open season to solicit capacity commitments from shippers to transport refined petroleum products to Little Rock, Arkansas. Binding commitments are now due by 5:00 p.m. CDT on November 4, 2013. Magellan previously announced it is assessing customer interest to transport up to 75,000 b/d of gasoline, diesel fuel, and jet fuel from the partnership's Ft. Smith, Arkansas, terminal, providing the Little Rock market access to refined products from Mid-Continent and Gulf Coast refineries via Magellan's refined petroleum products pipeline system. The potential project includes construction of an approximately 160-mile, 12-inch diameter pipeline from Magellan's Ft. Smith terminal to the Little Rock market. Subject to the results of this open season and receipt of the necessary permits and regulatory approval, the potential pipeline could be operational in the third quarter of 2015.

<http://www.magellanlp.com/magellannews.aspx?id=2147483877>

Natural Gas

SoCalGas Pipeline Leak Leads to Evacuation in Downtown San Luis Obispo, California October 11

Construction crews hit a 2-inch Southern California Gas Co. (SoCalGas) gas main in San Luis Obispo on Friday afternoon. The ruptured gas line shut down surrounding businesses and stopped traffic for more than two hours. The high-pressure gas leak went uncontained for more than an hour until Southern California Gas Co. workers were able to cap the leak around 4 p.m. A spokeswoman for SoCalGas said there is an investigation to determine what led to the accident.

<http://www.sanluisobispo.com/2013/10/11/2728699/part-of-downtown-slo-evacuated.html#>

Cardinal Gas Announces Non-Binding Open Seasons for 6.0 Bcf Arcadia, 2.5 Bcf Monroe Gas Storage Facilities in Louisiana, Mississippi

Cardinal Gas Storage Partners LLC announced on Monday the start of non-binding open seasons, beginning Wednesday, October 16, 2013, and running through Friday, November 1, 2013, for subsidiaries, Arcadia Gas Storage, LLC, and Monroe Gas Storage Company, LLC. The facilities, Arcadia in North Louisiana and Monroe in Mississippi, provide access to markets in the Midwest, Northeast, and Southeast. These open seasons are for approximately 6.0 Bcf of firm storage capacity at Arcadia and up to 2.5 Bcf of firm capacity at Monroe, both beginning April of 2014.

<http://www.cardinalgas.com/pdf/AGSMGSOOpenSeasonAnnouncementOct2013final.pdf>

Enterprise to Increase Capacity to 425,000 b/d on Aegis Ethane Pipeline in Texas; Conducts Supplemental Open Season

Enterprise Products Partners L.P. on Monday announced an expansion of its Aegis Pipeline following strong interest from shippers. Long-term agreements have been executed, which support increasing the size of the Aegis pipeline to 20-inches in diameter, which will facilitate delivery of up to 425,000 b/d of ethane to the expanding petrochemical corridor along the Gulf Coast. The 270-mile Aegis pipeline will originate at Enterprise's Mont Belvieu, Texas, liquids storage complex and, through connections to other Enterprise-owned pipelines, will deliver purity ethane to ethylene production facilities between Beaumont, Texas, and Napoleonville, Louisiana. Aegis will commence service in phases, with initial deliveries expected to begin during the second quarter of 2014. To accommodate this additional shipper interest, Enterprise is conducting a supplemental open season that began Monday at 9 a.m. CDT and will close November 14, 2013 at 5 p.m. CST.

<http://phx.corporate-ir.net/phoenix.zhtml?c=80547&p=irol-newsArticle&ID=1864090&highlight>

International News

Libya Oil Production at 600,000 to 700,000 b/d October 13 – Prime Minister

Libya is currently producing between 600,000 to 700,000 b/d of oil as it tries to end protests that have shut down oilfields and ports, the Prime Minister said on Sunday. Striking workers, militias, and political activists have caused oil production to fall as low as 200,000 b/d last month, compared to 1.6 million b/d in 2011. In mid-September, Libya reached a deal with some protestors and the oil minister said on October 2 that output could be restored within days. In addition, talks to reopen the major oil export terminals of Es Sider and Ras Lanuf have taken time because of varying demands from protesters.

http://www.rigzone.com/news/oil_gas/a/129565/Libyan_PM_Says_Oil_Production_at_600000_to_700000_Bopd

Kazakhstan's Kashagan Oilfield Halts Output Due to Gas Leak October 9

A consortium developing Kazakhstan's giant offshore Kashagan oilfield halted output after a gas leak was detected on October 9, the second stoppage there since its launch a month ago. The leak was detected on a pipeline running from the artificial D Island to the Bolashak processing plant ashore, the North Caspian Operating Company (NCOC) said. The leaking part of the pipeline has been depressurized and flushed with nitrogen to make it accessible for inspection, according to NCOC. Repair work will continue but no date was given when production will resume.

http://www.rigzone.com/news/oil_gas/a/129557/Accident_Again_Halts_Output_at_Kazakh_Kashagan_Oilfield

Pemex Pipeline in Mexico Reports Fire After Illegal Tapping October 12

Pemex, Mexico's state oil monopoly, reported one person died in a fire after a multipurpose pipeline was illegally tapped in Veracruz state. Pemex said the fire was quickly controlled but did not give further details.

http://www.downstreamtoday.com/news/article.aspx?a_id=41035

Energy Prices

U.S. Oil and Gas Prices			
October 15, 2013			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	102.03	103.80	90.76
NATURAL GAS Henry Hub \$/Million Btu	3.81	3.62	3.38

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

Energy Assurance Daily provides a summary of public information concerning current energy issues. Published Monday through Friday to inform stakeholders of developments affecting energy systems, flows, and markets, it provides highlights of energy issues rather than a comprehensive coverage. *Energy Assurance Daily* is updated online Monday through Friday after 5:00 p.m. ET. For more information, visit the Infrastructure Security and Energy Restoration (ISER) website at:

<http://www.oe.netl.doe.gov/ead.aspx>

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