



ENERGY ASSURANCE DAILY

Monday Evening, October 26, 2015

Electricity

Hurricane Patricia Remnants Knock Out Power to Over 91,000 Customers in Texas, Louisiana, Mississippi October 24–26

The remnants of Hurricane Patricia, which started as a Category 5 storm, moved through Texas, Louisiana, and Mississippi over the weekend knocking out power to 91,862 customers. Wind gusts of up to 51 mph were reported. Entergy Mississippi which reported 18,400 outages said it has brought in extra crews to help with power restoration. As of 3:30 p.m. EDT Monday, 33,835 customers remained without power.

| Louisiana, Mississippi, Texas Customer Power Outages | | | |
|------------------------------------------------------|-------|---------------|-----------------|
| October 23–26, 2015 | | | |
| Electric Utility | State | Peak | Latest Reported |
| Entergy | LA | 26,000 | 9,232 |
| SWEPCO | LA | 10,400 | 6,725 |
| CLECO | LA | 1,762 | 695 |
| Entergy | MS | 18,400 | 14,902 |
| Oncor | TX | 22,000 | 339 |
| Upshur Rural Electric | TX | 7,300 | 190 |
| CenterPoint Energy | TX | 6,000 | 1,752 |
| TOTAL* | | 91,862 | 33,835 |

*Total outages represent only electric utilities listed in this table.

Sources:

- <http://www.etrviewoutage.com/external/la.aspx>
- <https://www.swepco.com/outages/outageMap.aspx>
- <http://www.etrviewoutage.com/external/ms.aspx>
- <https://twitter.com/EntergyMS>
- <http://outage.cleco.com/external/default.html>
- <https://ebill.urecc.coop/mapviewer/mapviewer.html?config=Outage+Web+Map>
- <http://gis.centerpointenergy.com/outagetracker/>
- <http://www.shreveporttimes.com/story/news/2015/10/26/thousands-without-power-monday-morning/74617156/>
- http://www.nola.com/weather/index.ssf/2015/10/power_outages_accompany_severe.html
- <http://www.cbs19.tv/story/30341117/thousands-out-without-power-across-east-texas>
- <http://www.ksla.com/story/30347990/aep-swepco-thousands-without-electricity>
- <http://www.weather.com/news/news/texas-new-mexico-plains-flood-threat>

Transmission Line Issues Knock Out Power to 147,000 PREPA Customers in Puerto Rico October 23

A major power outage hit Puerto Rico on Friday after four transmission lines encountered problems, affecting about 147,000 residents, according to the island’s power utility PREPA. A spokesman for PREPA on Friday said power was expected to be restored by Friday afternoon. The affected lines included a pair of 230 kV lines and two 115 kV transmission lines.

- <http://www.reuters.com/article/2015/10/23/usa-puertorico-poweroutage-idUSL1N12N1OQ20151023>
- <http://news.yahoo.com/puerto-rico-suffers-major-power-outage-147-000-181608582.html>

Entergy’s 1,075 MW Waterford Nuclear Unit 3 in Louisiana Shut by October 25

On the morning of October 24 the unit was operating at full power.

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

AES's 175 MW Redondo Gas-fired Unit 6 in California Shut by October 25

The unit entered an unplanned outage.

<http://content.aiso.com/unitstatus/data/unitstatus201510251515.html>

AES's 496 MW Redondo Gas-fired Unit 8 in California Reduced by October 25

The unit entered an unplanned curtailment of 246 MW.

<http://content.aiso.com/unitstatus/data/unitstatus201510251515.html>

AES Closes Its 125 MW Beaver Valley Coal-Fired Power Plant in Pennsylvania Two Years Ahead of Schedule

AES Corp announced October 22 that its coal-fired Beaver Valley power plant in Pennsylvania was being shut now instead of in 2017, as originally scheduled. The company reported that the plant was closed early after it was unable to find a buyer for its electricity.

http://www.timesonline.com/news/energy/aes-beaver-valley-coal-plant-to-close-now-two-years/article_cb8ffbcc-78ea-11e5-855c-ef2ed4c5d8d2.html

<http://www.post-gazette.com/business/2014/01/10/Beaver-power-plant-weighs-shift-to-gas/stories/201401100054>

Duke Energy to Acquire Piedmont Natural Gas for \$4.9 Billion

Duke Energy and Piedmont Natural Gas today announced the boards of directors of both companies have unanimously approved a definitive agreement for Duke Energy to acquire Piedmont for approximately \$4.9 billion in cash. Duke Energy and Piedmont also are key partners in the \$5 billion Atlantic Coast Pipeline that will be the first major natural gas pipeline to serve Eastern North Carolina. The companies are targeting a closing by the end of 2016.

<http://www.duke-energy.com/news/releases/2015102601.asp>

Petroleum

U.S. Refineries Unaffected by Hurricane Patricia, Heavy Gulf Coast Rain

Operations at the largest two U.S. refineries were unaffected by heavy rains along the Texas Gulf Coast over the weekend, representatives for the plants said on Sunday. Motiva Enterprises' 603,000 b/d Port Arthur, Texas refinery and ExxonMobil Corp's 560,500 b/d Baytown, Texas, refinery were operating after more than 10 inches of rain fell over the Texas coast between Saturday and Sunday. The heavy rains were due in part to remnant moisture from Hurricane Patricia combining with a low pressure system along the Texas Coast. Royal Dutch Shell's joint-venture 316,600 b/d Deer Park, Texas, refinery was operating normally and ExxonMobil said the storms did not affect operations at its 344,600 b/d Beaumont, Texas, refinery. A Phillips 66 spokeswoman said the company's 247,000 b/d Sweeny, Texas, refinery was unaffected by severe weather including a tornado warning on Saturday. Citgo Petroleum Corp's 163,000 b/d Corpus Christi, Texas, refinery had no problems due to heavy rains, said a source familiar with plant operations. Refineries in Houston and Texas City, Texas, appeared to be operating normally after nearly 30 hours of rain. No notices of refinery malfunctions had been filed with Texas environmental regulators by early Sunday evening due to the storms.

Reuters, 6:25 October 25, 2015

Chevron Says Hydrocarbon Spill Contained at Its 330,000 b/d Pascagoula, Mississippi Refinery October 22

Chevron Corp said an internal spill of hydrocarbons was contained late on Thursday at its refinery at Pascagoula, Mississippi. The company said on Friday the refinery was continuing to supply its customers and an investigation into the incident was underway. About 10,000 gallons of hydrocarbons was spilled during the incident, according to a news report.

Reuters, 5:37 October 23, 2015

Motiva Reports Dock Leak Due to Heavy Rains at Its Norco, Louisiana Facility October 26

Motiva reported rain water from heavy rains was draining from its docks creating a sheen on the Mississippi River. Motiva houses a 238,000 b/d refinery and a chemical plant in the Norco facility. Motiva is a 50-50 joint venture between Royal Dutch Shell Plc and Saudi Aramco.

Reuters, 9:27 October 26, 2015

CVR Reports Equipment Loss, Blower Malfunction at Its 70,000 b/d Wynnewood, Oklahoma Refinery October 24, 25

CVR Energy Inc reported nitric oxide was releasing from diesel compressors due to a loss of a piece of equipment on October 24. The company also reported an electrical air blower malfunctioned on October 25.
Reuters, 9:46 October 26, 2015

FCCU Out of Production at LyondellBasell's 263,776 b/d Houston, Texas Refinery – Sources

The 90,000 b/d fluidic catalytic cracking unit (FCCU) at LyondellBasell Industries' Houston refinery was out of production on warm circulation for repairs, sources familiar with plant operations said on Friday. The FCCU was taken out of production due to a catalyst leak, the sources said. The unit may have to be shut completely to repair the leak. The FCCU was shut from Sunday through Tuesday due to a compressor malfunction. The unit restarted on Tuesday night at reduced production due to a broken patch on one of the unit's two risers, the sources said. The 120,000 b/d crude distillation unit, the smaller of two, was shut on October 17 and remains shut for repairs to piping.
Reuters, 6:21 October 23, 2015

ExxonMobil Says Production Unhurt by Emissions Event at Its 560,500 b/d Baytown, Texas Refinery October 23

ExxonMobil Corp said there was no impact to production from an emissions event at its Baytown, Texas refinery.
Reuters, 9:55 October 23, 2015

Vapor Cloud from ExxonMobil's 149,500 b/d Torrance, California Refinery Triggers Alarm October 23

The unexplained release of a large vapor cloud on Friday from ExxonMobil Corp's Torrance refinery near Los Angeles prompted authorities to sound public safety sirens, but no toxic fumes were detected and no one was hurt, a fire official said. The refinery has been largely shut since an explosion and fire at a processing unit on February 18 injured four workers and destroyed emissions-controlling equipment. A plan to restart the refinery last month was indefinitely postponed after a September 6 leak of highly toxic hydrofluoric acid. As a precaution on Friday, city officials sounded sirens warning area residents to remain indoors with windows and doors closed, and traffic barriers were lowered over a street that runs along the refinery's eastern edge, Torrance Fire Department Captain said. An all-clear was sounded within a half-hour of the first alarm from the incident. The vapor appeared to be a large steam cloud that rose 150 to 200 feet in the air and drifted eastward from the refinery before dissipating. No one was reported to have been injured or sickened, or to have sought medical treatment. While the vapor came from inside the plant, its precise origin and cause was under investigation. The company announced last month that it had reached an agreement to sell the Torrance plant and associated facilities to PBF Energy for \$537.5 million plus working capital. The refinery is expected to be back to full production by the time the transaction closes in 2016.
<http://wtaq.com/news/articles/2015/oct/24/exxon-torrance-refinery-leak-leads-to-warning-for-area-residents/>

U.S. Oil Drillers Slow Pace of Rig Cuts – Baker Hughes

U.S. energy firms reduced oil rigs for an eighth week in a row but slowed the rate of those cuts to just one rig, data showed on Friday. The total rig count for the week ended October 23 fell to 594, the least since July 2010. Over the past eight weeks, drillers cut a total of 81 rigs, Baker Hughes Inc said. The reduction this week was the lowest since drillers started cutting rigs at the start of September after adding 47 rigs over the summer. Drillers decided to add the rigs over the summer during the spring when crude prices averaged \$60 a barrel in May and June.
Reuters, 1:52 October 23, 2015

Chicap Pipeline Launches Binding Open Season for Its Blue Island Lateral Expansion in Illinois

Chicap Pipeline Company on Friday announced a binding open season to solicit shippers' interest for expanded capacity on its Blue Island Lateral from Blue Island to Mokena, Illinois. The Blue Island Lateral, a 15-mile, 14-inch diameter lateral crude oil pipeline that had been idle for 15 years, was reactivated in May 2015, said the company, which is a joint venture pipeline company operated by BP Pipelines North America Inc. Chicap said it would offer priority service, not subject to prorating during ordinary operating conditions, for up to 20,000 b/d, which is 90 percent of the capacity available for movements from Blue Island to Mokena. The open season will end November 24. The company said it is expanding capacity and capability to flow crude oil from Blue Island to Mokena, and will operate the pipeline in a bi-directional manner while preserving the existing capacity from Mokena to Blue Island.
http://www.olympicpipeline.com/pipeline_chicap_open_season.html

Cheniere Expects to Ship First U.S. LNG Export Cargo in January

Cheniere Energy expects to start receiving natural gas to convert into super-chilled liquid fuel at its first U.S. liquefied natural gas (LNG) export terminal before the end of the year, with shipments to start in January, its chief executive said on Monday. Once Cheniere's first LNG plant starts up, the company will have a new production train starting up every six months until mid-2019, leaving it with seven total lines of gas liquefaction at its Sabine Pass project in Cameron Parish, Louisiana, and at another terminal in Corpus Christi, Texas. The seven trains will account for almost half of the 65 million tonnes per year (tpy) of LNG export capacity under construction in the U.S. Cheniere has sold most of its 31.5 million tpy of LNG via long-term contracts, with about 4 million tpy remaining for sale in spot markets.

Reuters, 5:00 October 26, 2015

Williams' Transco to Operate Leidy Segments at Reduced Pressure

Williams Cos Inc's Transcontinental Gas Pipeline Co (Transco) on Friday said it will continue operating various segments of its Leidy system between its western terminus and the Delaware River at reduced pressure due to restoration work on one of its natural gas lines in Pennsylvania. The company estimates current operating conditions and the restoration work to continue into the second quarter of 2016. In June, Transco declared a force majeure on its Leidy natural gas Line B in Lycoming County, Pennsylvania, on which the current restoration activities are under way. The 10,200-mile Transco pipeline system from South Texas to New York City, with seasonal storage capacity of 197 billion cubic feet, moves gas from the U.S. Gulf Coast and Appalachia to customers in the Southeast, Mid-Atlantic and Northeast.

<http://www.1line.williams.com/1Line/wgp/download?delvid=6830555&hfNoticeFlag=Y&hfDownloadFlag=false&hfFileName=download.html>

Regency Reports AGC Shut at Its 290 MMcf/d Waha Gas Plant in Texas October 24

Regency reported flared acid gas stream coming from the amine treater due to the acid gas compressor (AGC) shutdown. Mechanics flushed the tubing lines with high pressure grease gun, repaired the lubricator pumps, and replaced the standard oil filter and ceramic oil filter.

<http://www2.tceq.texas.gov/oce/eer/index.cfm?fuseaction=main.getDetails&target=222092>

Other News

Nothing to report.

International News

BP to Begin Gas Production at Egypt Concession in Early 2017 – Petroleum Minister

BP will begin gas production at its North Alexandria concession in early 2017 rather than mid-2017, Egypt's petroleum minister said on Saturday. The offshore concession's output will be roughly 450 million cubic feet per day in 2017 and reach 1.2 billion cubic feet per day by the end of 2019, according to the petroleum minister. BP also said this week it had been awarded three new offshore exploration blocks in Egypt and that it and its partners had committed to an investment of \$229 million.

Reuters, 8:26 October 25, 2015

Energy Prices

| U.S. Oil and Gas Prices | | | |
|----------------------------------------------------------------------|-------|----------|----------|
| October 26, 2015 | | | |
| | Today | Week Ago | Year Ago |
| CRUDE OIL West Texas Intermediate U.S. \$/Barrel | 43.03 | 45.86 | 81.23 |
| NATURAL GAS Henry Hub \$/Million Btu | 2.27 | 2.38 | 3.60 |

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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