



ENERGY ASSURANCE DAILY

Wednesday Evening, February 10, 2016

Electricity

Update: Entergy Reports Tritium Level Fluctuations No Threat to Public Health, Safety at Its 2,069 MW Indian Point Nuclear Power Plant in New York February 10

Entergy Corp said on Wednesday it found elevated levels of tritium, a weak radioactive isotope of hydrogen, in groundwater samples at its Indian Point nuclear power plant in New York. The company said the tritium has not migrated off site and poses no threat to public health or safety. The company first announced it found tritium in groundwater samples on February 6. New York Governor Andrew Cuomo, who wants Indian Point shut because he does not believe the population around the plant—including New York City—could be evacuated if there was an emergency, said over the weekend that the state would investigate the incident. Entergy said it continues to look for the source of the tritium leak.

<http://www.entergynewsroom.com/latest-news/entergy-update-tritium-indian-point-fluctuations-no-threat-public-health-safety/>

Reuters, 14:36 February 10, 2016

Update: TVA's 1,126 MW Sequoyah Nuclear Unit 2 in Tennessee Ramps Up to 50 Percent by February 10

On the morning of February 9 the unit was operating at 15 percent, reduced from full power on February 4.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2016/>

Update: Entergy's 858 MW Arkansas Nuclear Unit 2 in Arkansas Ramps Up to 93 Percent by February 10

On the morning of February 9 the unit was operating at 68 percent, reduced from full power on February 5. Entergy said it cut power to conduct work on the main feed pump after the oil pressure was determined to be lower than normal.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2016/>

Reuters, 11:13 February 8, 2016

El Segundo Energy Center's 263 MW Gas-fired Units 5/6 in California Shut by February 9

The units entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201602091515.html>

Cabrillo Power's 330 MW Encina Gas-fired Unit 5 in California Shut by February 9

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201602091515.html>

Valero to Cut Production Runs Due to Low Margins at Its 180,000 b/d Memphis, Tennessee Refinery – Sources

Valero Energy Corp will cut gasoline production at its Memphis, Tennessee refinery by about 25 percent, sources said on Tuesday. Valero decided to cut gasoline output because the margins do not provide economic incentive to transport fuel on the Mississippi River, a source said. A crude trader noted the Memphis refinery has little capacity for sulfur and runs an expensive crude slate, offering probable causes for the refinery to cut production on uneconomic margins.

Reuters, 18:30 February 9, 2016

ExxonMobil Reports SRUs, Hydrotreater Shut Unexpectedly at Its 344,600 b/d Beaumont, Texas Refinery February 10 – Sources; Shelter in Place Lifted

A 40,000 b/d diesel hydrotreater shut down unexpectedly on Wednesday, triggering flaring at ExxonMobil Corp's Beaumont, Texas refinery, which prompted a temporary shelter-in-place order for the surrounding community, sources familiar with plant operations said. A company spokesman added that two sulfur recovery units (SRUs) had unplanned shutdowns early on Wednesday, but did not elaborate on the specific cause for the upsets, nor confirm whether the SRU upsets provoked the hydrotreater shut down. The event did prompt a temporary shelter-in-place within the North Plant and out of an abundance of caution, the city of Beaumont and Jefferson County Emergency Offices were contacted, the spokesman clarified.

Reuters, 13:50 February 10, 2016

CRU Restart Delayed at Motiva's 603,000 b/d Port Arthur, Texas Refinery February 10 – Sources

The restart of a 49,000 b/d catalytic reforming unit (CRU) 4 at Motiva Enterprises' Port Arthur, Texas refinery was scheduled to occur this week, but has been delayed due to additional time needed to complete the installation of new instrumentation on the unit, sources familiar with plant operations said on Wednesday. The CRU 4 restart will now follow the restart of the 195,000 b/d crude distillation unit (CDU) 4, which was scheduled to occur next week. As Motiva wraps up the plant's multi-unit overhaul, the company expected to restart several units beginning this week with the staggered return to production planned to last through the first of March.

Reuters, 14:05 February 10, 2016

Irving Plans to Restart FCCU at Its 300,000 b/d Saint John, New Brunswick Refinery within Days – Source

Irving Oil plans on restarting its 70,000 b/d fluid catalytic cracking unit (FCCU) at its Saint John, New Brunswick refinery within days, a source familiar with the plant's operations said on Wednesday. The source did not specify as to what caused the FCCU to shut down.

Reuters, 14:45 February 10, 2016

Crude Oil Stocks Fall, Cushing Inventories Reach Record High – EIA

U.S. crude stocks fell in the week ending February 5 as refineries cut output, data from the Energy Information Administration (EIA) showed on Wednesday. U.S. crude inventories fell by 754,000 barrels in the last week to 501.9 million barrels. Crude stocks at the Cushing, Oklahoma delivery hub rose by 523,000 barrels to 64.7 million barrels, bringing stockpiles at the hub to a new record, EIA said.

Reuters, 10:42 February 10, 2016

SMLP Commences Operations on Its 60,000 b/d Stampede Lateral Crude Pipeline in North Dakota February 9

Summit Midstream Partners, LP (SMLP) on Tuesday announced that it commenced operations of its 60,000 b/d Stampede Lateral crude oil pipeline in North Dakota, which connects SMLP's Polar & Divide crude oil gathering system with Global Partners LP's Basin Transload rail terminal located near Columbus, offering rail access to Global's Albany, New York terminal. The 46-mile, 10-inch diameter pipeline originates at the SMLP's Divide Station, which offers truck unloading capabilities and 75,000 barrels of crude oil storage capacity. SMLP also said that it was nearing completion of its 27,000 b/d Little Muddy pipeline, which will connect the Polar & Divide gather system to Enbridge's North Dakota Pipeline System in Williams County via Enbridge's Little Muddy Facility located near Marmon. Crude oil delivered to the Little Muddy Interconnect will gain pipeline access to various downstream markets including Chicago, Patoka, Cushing, Eastern Canada, and the Gulf Coast.

[http://www.summitmidstream.com/docs/smlp%20announces%20stampede%20lm%20start%20up%20\(2%209%2016\).pdf](http://www.summitmidstream.com/docs/smlp%20announces%20stampede%20lm%20start%20up%20(2%209%2016).pdf)

Natural Gas

Algonquin Gas Issues Operational Flow Order February 11

Algonquin Gas Transmission, LLC (AGT) is issuing an Operational Flow Order (OFO) effective Thursday, February 11. The company said the OFO does not affect the ability of AGT to receive or deliver quantities of gas for scheduled nominations to any customer or pipeline. The Algonquin Gas Transmission pipelines run through New England, New York, and New Jersey and transports 2.74 Bcf/d through 1,129 miles of pipeline.

<https://infopost.spectraenergy.com/infopost/AGHome.asp?pipe=AG&mode=1>

DOE Approves ConocoPhillips LNG Exports from Alaska February 9

The U.S. Department of Energy (DOE) approved ConocoPhillips' application to export about 40 Bcf of natural gas from its Kenai liquefied natural gas (LNG) export terminal in Alaska over the next two years starting February 19. The federal approval will allow ConocoPhillips to export natural gas to any country the U.S. has a free-trade agreement with or any other country with which trade is not prohibited by U.S. law. The Kenai Liquefied Natural Gas (LNG) Plant began operating in 1969, and for more than 40 years has been the only LNG export plant of domestic production in the United States, with the majority of shipments destined for Japan.

http://www.downstreamtoday.com/news/article.aspx?a_id=51025

Other News

Nothing to report.

International News

Saudi Arabia, Bahrain Allegedly Ban Iranian Ships from Entering Ports – Ship Insurer Reports

Saudi Arabia and Bahrain have allegedly banned Iranian-flagged vessels from entering their waters and imposed other shipping restrictions, according to ship insurers citing local reports. Norwegian ship insurer Gard said Bahrain had imposed a ban on any vessel that has visited Iran as one of its last three port calls. Ship insurer West of England said separately that a vessel had since been denied entry to Bahrain after visiting an Iranian port two port calls earlier, resulting in the fixture being cancelled. Other ship insurers had yet to issue any guidance or confirm there were new regulations in place. While oil companies such as Italy's Eni and France's Total have been looking to book cargoes from Iran, international insurers are no closer to resolving concerns over U.S. sanctions that remain in place. Iran has been struggling to ramp up oil exports and still faces insurance and financing hurdles despite the lifting of international sanctions on its banking, insurance, and shipping sectors last month as part of a nuclear deal with world powers.

Reuters, 13:05 February 9, 2016

Pakistan Signs 15-Year LNG Supply Deal with Qatar February 10

Pakistan said on Wednesday it had signed a 15-year agreement to import up to 3.75 million tonnes of liquefied natural gas (LNG) annually from Qatar, a major step in filling Pakistan's energy shortfall. The deal will help Pakistan add about 2,000 MW of gas-fired power-generating capacity and improve production from fertilizer plants hurt by a lack of gas, a government official said. Supplies will start in March, Qatar's state news agency QNA said, and will eventually come to around five LNG cargoes per month. Pakistan, a nation of 190 million people, can only supply about two-thirds of its gas needs.

Reuters, 12:10 February 10, 2016

Energy Prices

U.S. Oil and Gas Prices			
February 10, 2016			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	27.49	32.24	50.01
NATURAL GAS Henry Hub \$/Million Btu	2.17	2.04	2.60

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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