



ENERGY ASSURANCE DAILY

Thursday Evening, July 31, 2014

Electricity

Update: Restoration Nearly Complete to Over 186,000 DTE Customers in Michigan July 30 after July 27 Storms

DTE Energy said it had restored power to nearly all of the customers as of 9 p.m. EDT Wednesday night who were impacted by the high winds and lightning that hit southeast Michigan Sunday afternoon.

<https://www.facebook.com/dteenergy/photos/a.10150138817501465.294489.84420741464/10152558013196465/?l=6fc03c2d42>

PPL Electric Proposes New 500 kV Regional Transmission Project in Mid-Atlantic

PPL Corporation announced Thursday that its Pennsylvania utility, PPL Electric Utilities Corporation, was proposing to build a major new regional transmission line that would make electric service more reliable and enhance the security of the electric grid while reducing the cost of electricity for consumers. PPL Electric Utilities submitted the project to PJM Interconnection as part of the competitive solicitation process under FERC Order 1000. As currently proposed, the 500 kV line would run about 725 miles from western Pennsylvania into New York and New Jersey, and also south into Maryland. The project is in the preliminary planning stages. If approved and built as proposed, the line would help replace supplies of electricity that will be lost when existing power plants retire. It also would help prevent power shortages during periods of extremely high demand, like the prolonged severe cold weather this past winter. The preliminary timeline envisions completion of the project between 2023 and 2025, assuming all necessary approvals are received and construction begins in 2017.

<http://pplweb.mediaroom.com/index.php?s=12270&item=137078>

FirstEnergy Constructing New Transmission Substation in West Virginia to Support Shale Gas Industry and Enhance Mon Power Service Reliability

Construction was underway on a new FirstEnergy Corp. transmission substation in Doddridge County, West Virginia, to support the electric demands of the area's rapidly expanding Marcellus Shale gas industry and help enhance service reliability for Mon Power's customers in Doddridge and neighboring counties. As part of the construction process, crews recently completed the foundation work and erected steel structures at the new 11 acre substation site near Sherwood, West Virginia. The project also includes a short transmission line to connect the new substation with an existing 138 kV line located nearby. In addition to supporting the MarkWest Sherwood natural gas processing facility, the new substation and line will reinforce the regional transmission system and is also expected to benefit more than 6,000 Mon Power customers along the U.S. Route 50 corridor in Doddridge, Harrison, and Ritchie counties. The new substation will be connected to MarkWest's Sherwood processing facility via two, four-mile transmission lines. The new substation is expected to be completed and operational in December 2014. Trans-Allegheny Interstate Line Company, a FirstEnergy transmission affiliate, will build and own the substation. Mon Power will own the short transmission line connecting to the existing 138 kV line, as well as some metering equipment inside the substation.

https://www.firstenergycorp.com/content/fecorp/newsroom/news_releases/work-underway-on-new-firstenergy-transmission-substation-in-west.html

Update: Dominion's 871 MW Millstone Nuclear Unit 2 in Connecticut Restarts by July 30, Ramps Up to 60 Percent by July 31

Unit 2 was shut from full power July 26 due to turbine driven AFW pump failure.

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

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2014/20140728en.html>

FPL's 693 MW Turkey Point Nuclear Unit 4 in Florida at Full Power by July 31

On the morning of July 30 the unit was operating at 75 percent, down from full power by July 26.

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

Dynegy, LLC's 754 MW Moss Landing Gas-fired Unit 6 in California Reduced by July 30

The unit entered an unplanned curtailment of 154 MW.

<http://content.aiso.com/unitstatus/data/unitstatus201407301515.html>

Petroleum

Update: ExxonMobil Running Reduced Rates on Southern Leg of Its 90,000 b/d Pegasus Crude Oil Pipeline in Texas after Restart July 9

ExxonMobil Corp. said on Wednesday the Texas segment of its 850-mile Pegasus crude oil pipeline was restarted on July 9, more than a year after a spill in Mayflower, Arkansas forced the shutdown of the entire line. The company said the southern section was operating at reduced pressure after completing safety and operational tests and it did not anticipate restoring normal operating pressure this year. The pipeline flows crude from Patoka, Illinois to Nederland, Texas. The Texas segment of the pipeline is 211 miles long, running from Corsicana to Nederland. The U.S. Pipeline and Hazardous Materials Safety Administration (PHMSA) said Exxon was allowed to restart the southern section of the pipeline in late March at 80 percent of the operating pressure at the time of the failure. Reuters, 5:47 July 31, 2014

Enterprise and Genesis Complete 115,000 b/d Crude Oil Pipeline from Lucius Platform in the Deepwater Gulf of Mexico

Enterprise Products Partners L.P. and Genesis Energy, L.P. on Wednesday announced that their jointly owned crude oil gathering pipeline serving the Lucius production area in southern Keathley Canyon was mechanically complete and began earning revenues July 1, 2014. Constructed and owned by Southeast Keathley Canyon Pipeline Company, L.L.C. (SEKCO), a 50/50 joint venture between Enterprise and Genesis, the 149-mile, 18-inch diameter pipeline connects the third party-owned Lucius-truss spar floating production platform to an existing junction platform at South Marsh Island 205, which is part of the Enterprise-operated Poseidon pipeline system. Enterprise serves as operator of the SEKCO pipeline, which has a capacity of 115,000 b/d. A producer group, led by operator Anadarko Petroleum Corporation, is developing the Lucius production area, which is estimated to have resources of more than 300 million barrels of oil equivalent. First production is expected during the second half of 2014.

<http://phx.corporate-ir.net/phoenix.zhtml?c=80547&p=irol-newsArticle&ID=1953238&highlight>

Magellan Midstream to Reactivate 35,000 b/d Oklahoma Oil Pipeline

Magellan Midstream Partners LP said it was proceeding to reactivate service of a segment of a crude oil and condensate pipeline in Oklahoma in the third quarter of 2015. A spokesman for Magellan, which acquired the inactive pipeline segment in 2010, said the 135-mile pipeline from Healdton to Drumright would have an initial capacity of 35,000 b/d once reactivated, but can be expanded to 60,000 b/d. The line from Drumright to Cushing was already active, the spokesperson said. Construction includes development of 15,000 barrels of storage and a truck offloading facility at Magellan's existing Pauls Valley, Oklahoma, operation. Additional truck offloading and pipeline injection stations may be added at Healdton and other locations in the future depending on interest, the company said.

Reuters, 11:36 July 31, 2014

Phillips 66 Reports Process Unit Upset at Its 336,000 b/d Wood River, Illinois Refinery July 31

Phillips 66 reported a process unit upset at its Wood River, Illinois refinery, according to a filing with the Illinois Emergency Management Agency.

Reuters, 4:08 July 31, 2014

Phillips 66 Reports Flaring at Its 139,000 b/d Wilmington, California Refinery July 31

Phillips 66 reported a flaring event at its Wilmington, California, refinery, according to a filing with the California Emergency Management Agency

Reuters, 00:18 July 31, 2014

Chevron's 245,000 b/d Richmond, California Refinery Upgrade Receives City Council Approval

The Richmond city council approved Chevron Corp's proposal to upgrade its 105-year old refinery after the company and city staff agreed on a last-minute deal involving higher community investment and safety and piping upgrades, a report by the Contra Costa Times website showed on Wednesday. California's safety regulators told Chevron to repair the refinery after a 2012 fire that sent thousands to hospitals with respiratory woes but caused no fatalities. The company received preliminary approval to upgrade the refinery in 2008 before a lawsuit was filed by environmental groups. An appeals court ruled in 2010 that Chevron did not properly disclose the type of crude oil the upgraded refinery would process. Chevron had proposed a simplified renovation project to replace the refinery's hydrogen plant and smaller parts.

Reuters, 4:10 July 30, 2014

Natural Gas

FERC Approves 1.8 Bcf/d Freeport LNG Export Project in Texas

The Federal Energy Regulatory Commission (FERC) on Wednesday authorized Freeport LNG Development, L.P. to site, construct, and operate facilities to liquefy and export domestic natural gas from its existing liquefied natural gas (LNG) import terminal located near the city of Freeport, Brazoria County, Texas. The Freeport Liquefaction Project includes the construction and operation of a liquefaction plant with three trains, each with a capacity of 4.4 million metric tons per annum, for total liquefaction capacity of 1.8 Bcf/d. The project also includes pretreatment plant facilities that will interconnect with several pipelines, as well as facilities to allow bi-directional flow of gas through the existing Freeport Pipeline. In addition, FERC authorized Freeport LNG's Phase II Modification Project that would revamp the previously authorized, but unconstructed Phase II Project. The Phase II Modification Project comprises three major components: reorientation of the Phase II dock, modification of the transfer facilities, and modification of access roads at the terminal. The two projects would be constructed together at Freeport's existing Quintana Island terminal.

<http://www.ferc.gov/media/news-releases/2014/2014-3/07-30-14.asp#.U9prvldUSk>

Kinder Morgan Details Expansion Plan on EPNG to Export Natural Gas to Mexico

Kinder Morgan Energy Partners, L.P. today announced that El Paso Natural Gas Company (EPNG) entered into a 21-year firm transportation agreement with Mexico's Comision Federal de Electricidad (CFE) to initially provide approximately 163 MMcf/d of firm transportation capacity by October 2014, ramping up to 200 MMcf/d by October 2017 and 550 MMcf/d by October 2020. The phased capacity increases will be accomplished using existing and expansion capacity on the EPNG system. Engineering and procurement activities have begun on the first phase of work, which involves system improvements to deliver volumes to the Sierrita Pipeline near Tucson by October 2014. The second phase will result in incremental deliveries of natural gas to the Sierrita Pipeline and to California, and is expected to be completed by October 2020. The Sierrita Pipeline is expected to be in service in September of this year. The agreement provides for deliveries primarily to a new point of interconnection with the Sierrita Pipeline project along EPNG's South Mainline and also to California. Transportation service will be provided by utilizing existing capacity available on EPNG's North Mainline, along with undertaking certain system upgrades to enhance deliverability to the South Mainline. In order to facilitate the full 550 MMcf/d of service by October 2020, EPNG is planning an expansion that would consist of looping its Havasu Crossover line and installing new compression, as well as undertaking modifications at several existing compressor stations to facilitate west-to-east flow along the South Mainline.

<http://phx.corporate-ir.net/phoenix.zhtml?c=93621&p=irol-newsArticle&ID=1953769&highlight>

ONEOK Partners to Construct 200 MMcf/d Demicks Lake Natural Gas Processing Facility and Related Infrastructure in North Dakota

ONEOK Partners, L.P. on Wednesday announced plans build the 200 MMcf/d Demicks Lake natural gas processing facility and related infrastructure in northeast McKenzie County, North Dakota, which will process natural gas produced from the Bakken Shale in the Williston Basin. In addition the company will construct additional natural gas compression to take advantage of additional natural gas processing capacity at the partnership's existing and planned Garden Creek and Stateline natural gas processing plants in the Williston Basin by a total of 100 MMcf/d; and build approximately 12 miles of natural gas liquids (NGL) gathering pipeline from the Demicks Lake plant to the partnership's existing Bakken NGL pipeline. In addition, the 120 MMcf/d Garden Creek III natural gas processing plant, originally scheduled for completion in the first quarter 2015, is now ahead of schedule and slated for completion in the fourth quarter 2014.

http://ir.oneokpartners.com/phoenix.zhtml?c=104562&p=irol-newsArticle_Print&ID=1953160&highlight

DCP Midstream Reports Flaring at Its 160 MMcf/d Goldsmith Gas Plant in Texas July 30

DCP Midstream reported its Goldsmith gas plant received excessive five pound pressure resulting in flaring when the wight booster engines went down. Once repairs were made, the wight booster engine was restarted, and once pressure equalized, the flare valve closed ending the flare event.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=201679>

Other News

Nothing to report.

International News

Fifth Tanker of Iraqi Kurdish Oil Loading in Turkey – Turkish Energy Officials

The fifth cargo of crude oil from Iraqi Kurdistan was loading at Turkey's Mediterranean port of Ceyhan on Thursday and was scheduled to set sail on Friday, Turkish energy officials said. The cargo was the first loading of Iraqi Kurdish oil from Ceyhan in over a month, as the central government in Baghdad moved to block the unloading of Kurdish oil-laden vessels in foreign ports. The Suezmax tanker Kamari arrived at the port late on Wednesday, a shipping source said. It will be carrying one million barrels of crude oil.

Reuters, 10:21 July 31, 2014

Energy Prices

U.S. Oil and Gas Prices			
July 31, 2014			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	99.12	102.99	104.63
\$/Barrel			
NATURAL GAS			
Henry Hub	3.76	3.79	3.48
\$/Million Btu			

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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