



ENERGY ASSURANCE DAILY

Thursday Evening, August 07, 2014

Electricity

Storms, High Wind Gusts Knock Out Power to Over 20,000 Ameren Customers in Missouri August 6

A system of sub-severe storms, with wind gust up to 54 mph, knocked out power to over 20,000 Ameren Missouri customers yesterday evening. As of 3:30 p.m. EDT today, 2,481 customers remained without power.

http://www.stltoday.com/news/local/metro/storms-leave-thousands-without-power/article_1de1c9b7-abb3-5ae9-8851-a041f035073b.html

<http://apps.ameren.com/outage/outagemap.aspx?state=MO>

OG&E Seeks Oklahoma Corporation Commission Approval for Environmental Compliance Plan at Coal-fired Power Plants

After unsuccessfully challenging the EPA to the U.S. Supreme Court and exhausting its legal options, Oklahoma Gas & Electric (OG&E) on Wednesday filed an application with the Oklahoma Corporation Commission seeking approval of a plan to be in compliance with federal environmental mandates and to modernize the company's 613 MW Mustang power plant. OG&E's filing calls for adding two scrubbers to the coal-fired units at the 1138 MW Sooner power plant near Red Rock, converting two coal-fired units at the 1716 MW Muskogee power plant to natural gas, and modernizing the natural gas units at the Mustang power plant. OG&E's plan to modernize Mustang power plant calls for replacing existing natural gas steam units that were first installed in the late 1940s with new quick-start, natural gas-fired combustion turbines. The deadline for OG&E to achieve environmental compliance is January 2019. The company has until that time to fully implement its plan or face enforcement actions. OG&E is seeking approval to recover the costs associated with its compliance and Mustang modernization efforts. These capital costs are estimated to be approximately \$1.1 billion over a six year period.

<http://www.oge.com/Pages/News.aspx>

NRG to Reduce Emissions at Four Coal-Fired Power Plants in Illinois

NRG Energy Inc. said on Thursday it will spend about \$567 million to reduce emissions from four coal-fired power plants in Illinois that it acquired from Edison Mission Generation in April. As part of the plan, NRG said it will convert the 1,326 MW Joliet plant to natural gas by mid 2016 and close the 251 MW unit 3 at the Will County plant by April 2015. NRG also said it will install emissions control technology at both the 1,538 MW Powerton and 689 MW Waukegan plants. A spokesperson said the remaining 510 MW unit 4 at Will County will continue to operate as long as it remains in compliance with emission laws and regulations.

Reuters, 12:43 August 7, 2014

Update: Exelon's 619 MW Oyster Creek Nuclear Unit in New Jersey at Full Power by August 7

On the morning of August 6 the unit was operating at 84 percent, down from full power on August 5.

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

Update: FPL's 839 MW Saint Lucie Nuclear Unit 2 in Florida at Full Power by August 7

On the morning of August 6 the unit restarted and was operating at 88 percent. The unit was shut from full power on July 25 due to a small valve leak.

<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>

Update: Entergy's 966 MW River Bend Nuclear Unit 1 in Louisiana at Full Power by August 7

On the morning of August 6 the unit was operating at 85 percent, down from full power on August 5. Information derived from the NRC Power Reactor Status Reports:
<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2014/>

Petroleum

Energy Transfer Partners to Expand Its North Dakota to Illinois Pipeline to 570,000 b/d

Energy Transfer Partners LP said on Thursday that capacity on its North Dakota to Illinois pipeline could be as much as 570,000 b/d from a previous estimated capacity of 320,000 b/d. The 1,100-mile pipeline, which would transport crude oil from North Dakota's Bakken and Three Forks production area to Patoka, Illinois, will connect to the company's existing Trunkline Pipeline that is being converted from natural gas service to crude. The company said that based on binding commitments received to date and ongoing discussions with a number of key potential shippers, it is now expecting to expand capacity. The pipeline is expected to be in service by the end of 2016. Reuters, 10:36 August 7, 2014

Plains All American Says Its 200,000 b/d Cactus Pipeline in Texas to Start in April 2015

Plains All American expects its Cactus pipeline in the Permian Basin in West Texas to start up by April, executives said on Thursday. The company had targeted the first quarter of next year for the pipeline's startup. Executives also said that the line could be expanded to 280,000 b/d if needed, and it could move light crude, condensate and sour crude. Executives said they expected Delaware Basin condensate output to reach about 200,000 b/d by 2017 or 2018. Reuters, 11:49 August 7, 2014

Sunoco Logistics' 40,000 b/d Nederland Access Pipeline in Texas Began Operations in July

Sunoco Logistics Partners LP said on Thursday that its Nederland Access pipeline that connects to ExxonMobil Corp. Pegasus pipeline began operations in July. The delayed start-up comes after ExxonMobil's restart of the southern part of its Pegasus oil pipeline last month, more than a year after a crude spill in Mayflower, Arkansas, forced the company to shut the entire line. Sunoco's Nederland line brings crude oil from West Texas to its Nederland Terminal east of Houston. The West Texas Nederland Access project is dependent on the Pegasus line, according to the company's website. Reuters, 12:00 August 7, 2014

Sunoco Announces Open Season for 100,000 b/d Permian Longview and Louisiana Extension Project

Sunoco Logistics Partners L.P. on Wednesday announced that SunVit Pipeline LLC, Sunoco Pipeline L.P., and ExxonMobil Pipeline Company will commence a binding open season for project Permian Longview and Louisiana Extension. The project is being developed to deliver crude oil from West Texas to destinations in East Texas as well as both northern and southern Louisiana. The project is anticipated to have initial capacity to transport approximately 100,000 b/d. The Permian Longview and Louisiana Extension project is scheduled to be operational in the second half of 2016. The project will provide West Texas producers access to markets and refiners along the pipeline's route with a crude oil supply solution for West Texas Sour and West Texas Intermediate crude. The open season will commence on August 7.

<http://www.sunocologistics.com/SiteData/docs/PermianLon/4c20cfff0bc6990/Permian%20Longview%20&%20Louisiana%20Extension.pdf>

Tallgrass Energy's 320,000 b/d Pony Express Pipeline to Start Up in September

Tallgrass Energy Partners LP expects the Pony Express crude pipeline to start up next month with linefill and final testing under way, the company's Chief Executive said on Wednesday. The 690-mile, 230,000 b/d to 320,000 b/d pipeline runs from Guernsey, Wyoming, to the U.S. crude futures hub in Cushing, Oklahoma. Another pipeline that will feed 38,000 b/d into Pony Express has been delayed, but executives expect other producers to bring in uncontracted volumes.

<http://www.businesswire.com/news/home/20140806005250/en#U-OK3 ldUSk>
<http://af.reuters.com/article/energyOilNews/idAFL2N0QC2JK20140806>

Kinder Morgan to Expand Capacity to 250,000 b/d at Its Edmonton Crude Oil Rail Terminal

Kinder Morgan Energy Partners L.P. (KMP) on Wednesday announced that its joint venture with Imperial Oil Limited entered into additional firm take or pay agreements with strong, credit worthy oil company majors sufficient to allow a planned expansion project to move forward by adding incremental capacity of 110,000 b/d at the Edmonton Rail Terminal. The terminal is now almost a year into construction. The Edmonton Rail Terminal will increase its capacity at startup in the first quarter of 2015 to over 210,000 b/d and potentially up to 250,000 b/d. The terminal will be connected via pipeline to Kinder Morgan's adjacent Edmonton storage terminal and will be capable of sourcing all crude streams handled by Kinder Morgan for delivery by rail to North American markets and refineries. The rail terminal is being constructed and will be operated by Kinder Morgan, and will connect to both Canadian National and Canadian Pacific mainlines.

<http://phx.corporate-ir.net/phoenix.zhtml?c=93621&p=irol-newsArticle&ID=1956660&highlight=>

Delek Plans to Expand Its 60,000 b/d Tyler, Texas Refinery by 15,000 b/d in First Quarter 2015

Delek US Holdings Inc on Thursday said it plans to complete a 15,000 b/d expansion of its Tyler, Texas, refinery during a first-quarter 2015 scheduled turnaround. The refinery expansion, in addition to increasing the crude throughput capacity to 75,000 b/d from 60,000 b/d, will increase the diesel hydrotreater capacity to 36,000 b/d from 25,000 b/d and the naphtha hydrotreater to 28,000 b/d from 22,000 b/d, the company said. Delek said it plans to access additional crude from the Cushing, Oklahoma, and Longview and Midland, Texas, areas.

Reuters, 12:53 August 7, 2014

Motiva Reports Upset at Its 600,250 b/d Port Arthur, Texas Refinery Led to Emissions August 5

Reuters, 15:43 August 6, 2014

CVR Reports Malfunction from FCCU at Its 70,000 b/d Wynnewood, Oklahoma Refinery July 30

CVR Energy Inc reported a malfunction and opacity from the fluidic catalytic cracking unit (FCCU) on July 30, according to a filing with the Oklahoma Department of Environmental Quality.

Reuters, 15:43 August 6, 2014

Natural Gas

Regency Energy and American Energy–Midstream Enter Into Joint Venture Upsize on 2.1 Bcf/d Utica Ohio River Project

Regency Energy Partners LP (RGP) and American Energy–Midstream, LLC (AE-MidCo), announced today that they entered into a joint venture agreement for the construction and operation of Regency's previously announced Utica Ohio River Project. In addition, RGP and American Energy–Utica, LLC (AEU) will enter into a gathering agreement for gas produced from the Utica Shale in eastern Ohio by AEU. Regency and AE-MidCo will upsize the project to accommodate over 2 Bcf/d of firm volume commitments. These commitments represent the majority of the projected volumes in the 52-mile footprint of the pipeline. The upsized project will include construction of a 52-mile, 36-inch gathering trunkline that will be capable of delivering up to 2.1 Bcf/day to Rockies Express Pipeline (REX) and Texas Eastern Transmission on the southern end of the line. Additionally, there is the potential to connect to the interstate grid on the northern end of the trunkline which would increase overall system deliverability to 3.5 Bcf/day. The project will also consist of the construction of 25,000 horsepower of compression at the REX interconnect. The full project is expected to be completed in the third quarter of 2015.

<http://ir.regencygasservices.com/phoenix.zhtml?c=194063&p=irol-newsArticle&ID=1956461&highlight>

Cameron LNG's 12 MTPA Project in Louisiana Gets Final Investment Approval

Japanese partners in the Cameron liquefied natural gas (LNG) terminal in Louisiana said on Thursday the project received final investment approval and lined up \$7.4 billion in financing. The \$10 billion project received approval in June from the U.S. Federal Energy Regulatory Commission to construct and operate three-train gas liquefaction facilities with total capacity of 12 million tonnes per annum. The project obtained the U.S. Department of Energy's conditional approval to export LNG to countries with which the U.S. does not have free trade agreements, like India and Japan. Final approval is expected later this year

Reuters, 21:29 August 6, 2014

Spectra Says it Will Expand Existing Natural Gas Pipelines in New England by 0.1–0.6 Bcf/d

Spectra Energy Corp's chief executive officer on Wednesday said New England power generators need to lock into more natural gas pipeline capacity to avoid a supply squeeze and record prices seen last winter. Spectra, which operates about 22,000 miles of pipelines, said that it committed \$2 billion on six pipeline projects during the second quarter. That includes \$500 million-\$1 billion to expand existing pipelines in New England with the Atlantic Bridge project which will bring on 0.1–0.6 Bcf/d of gas or more by November 2017. Other projects executed in the second quarter were the Nexus pipeline between Ohio, Michigan, and Ontario; the expansion of the Dawn to Parkway pipeline in Ontario; two expansions off the Sand Hills line which carries natural gas liquids from the Permian Basin in New Mexico and Texas and Eagle Ford region in Texas to Gulf Coast markets; and converting a portion of the Ozark pipeline with Magellan Midstream Partners LP into a refined products pipeline.

Reuters, 15:43 August 6, 2014

Regency Reports AGI Compressor Shut at Its 290 MMcf/d Waha Gas Plant in Texas August 6

Regency reported low suction pressure due to a plant upset caused the acid gas injector (AGI) compressor to shutdown. The AGI requires a minimum suction pressure/flow to operate. The plant was lined out and the pressure in the reflux drum was allowed to reach the proper level. The AGI compressor was reset and restarted once the proper operating parameters were met.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=201917>

DCP Midstream Reports Flaring at Its 160 MMcf/d Goldsmith Gas Plant in Texas August 6

DCP Midstream reported its Goldsmith plant experienced excessive system pressure due to repairs that needed to be made on NR21 and 22. Repairs were completed and operators placed downed engines back in service, ending the flare event

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=201944>

Targa Reports Amine Treating Process Upset at Its 150 MMcf/d Sand Hills Gas Plant in Texas August 5

Targa reported an upset in the amine treating process due to excessive and unexpected CO2 concentration in the inlet stream that caused acid gas to be routed to the emergency acid gas flare, F-4. The acid gas compressor was restarted and operators identified the excessive stream so that it could be shut in such that inlet CO2 concentrations would return to normal.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=201939>

Southern Union Reports Failed Fuel Valve at Its Keystone Gas Plant in Texas August 5

Southern Union reported flaring low pressure inlet gas coming into the plant when unit no. 20's fuel valve failed. The fuel valve was replaced and the unit was brought back online, ending the flare event.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=201912>

Other News

Nothing to report.

International News

ExxonMobil Evacuates Staff in Iraqi Kurdistan as ISIS Advances

ExxonMobil Corp was evacuating staff from Iraq's autonomous Kurdistan region as the radical militants of the Islamic State (ISIS) advance towards its capital, an industry source said on Thursday. Islamist militants have surged across northern Iraq and pushed to within little over 30 minutes drive of the Kurdish regional capital Arbil. A spokesman for Exxon in Houston said the company does not comment on security matters.

Reuters, 12:03 August 7, 2014

Energy Prices

U.S. Oil and Gas Prices			
August 7, 2014			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	97.19	99.12	104.87
NATURAL GAS Henry Hub \$/Million Btu	3.97	3.76	3.35

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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