



ENERGY ASSURANCE DAILY

Friday Evening, September 09, 2016

Major Developments

System Integrity Issue Shuts Lines 1 and 2 of 2.53 Million b/d Colonial Pipeline System September 9; No Projected Restart

Colonial Pipeline shut down its main gasoline and distillate pipelines, Lines 1 and 2, on Friday to investigate a potential integrity issue. In a notice to shippers on Friday, the company said there is no projected time for the restart of Line 1, the 1.37 million b/d gasoline mainline, nor Line 2, the 1.16 million b/d distillate mainline, both of which run from Houston to Greensboro, North Carolina. Colonial connects Gulf Coast refineries with markets across the southern and eastern United States through more than 5,500 miles of its pipeline system, delivering gasoline, diesel, jet fuel and other refined products.

Reuters, 15:56 September 9, 2016

Electricity

Entergy's 1,207 MW Grand Gulf Nuclear Unit 1 in Mississippi Shut by September 9

The unit shut from 82 percent due to a loss of the residual heat removal pump.

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

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2016/20160909en.html>

Petroleum

Update: DOJ, DOI, USACE Ask Energy Transfer to Halt Construction on Its Dakota Access Pipeline after U.S. District Judge Allows Construction to Proceed in North Dakota

The U.S. Department of Justice (DOJ), Department of Interior (DOI), and Army Corp of Engineers (USACE) in a joint statement on Friday asked Energy Transfer to voluntarily halt construction on its Dakota Access pipeline project shortly after a U.S. District judge denied a request from the Standing Rock Sioux tribe to revoke construction permits issued by USACE. The Standing Rock Sioux tribe and a neighboring Native American tribe on Sunday requested a temporary restraining order against the Dakota Access project citing that sacred burial grounds were overlooked during the USACE permitting process. The Dakota Access Pipeline would deliver crude oil from North Dakota's Bakken shale to refineries in the U.S. Gulf Coast, carrying oil from just north of land owned by the Standing Rock Sioux Tribe to Illinois, where it would connect with an existing pipeline and route crude directly to the U.S. Gulf Coast.

Reuters, 15:30 September 9, 2016

Reuters, 14:59 September 9, 2016

BP's 413,500 b/d Whiting, Indiana Refinery Returns to Normal Production September 9 – Sources

Production at BP Plc's Whiting, Indiana refinery was normal on Friday despite brief early morning flaring, sources familiar with plant operations said. Energy industry intelligence service Genscape said one of the refinery's safety flares operated for about five minutes early on Friday morning.

Reuters, 11:40 September 9, 2016

Shell Reports Leak at Its 316,600 b/d Deer Park, Texas Refinery September 8

Royal Dutch Shell Plc reported a leak onsite at its Deer Park, Texas refinery, according to a community information line.

Reuters, 20:19 September 8, 2016

Update: LyondellBasell Reports Its 263,776 b/d Houston, Texas Refinery ‘Up and Running’ September 8 after Plant-Wide Outage September 1

LyondellBasell Industries’ Houston refinery is “up and running” following a September 1 plant-wide power outage, the company’s vice president of investor relations said on Thursday. LyondellBasell on Wednesday night completed the restart of the 90,000 b/d fluidic catalytic cracking unit (FCCU), Gulf Coast market sources said. The FCCU was running at reduced rates while the refinery continues to ramp up production, the sources said. Lyondell received proposals over the weekend from potential buyers of the refinery, sources familiar with the process have told Reuters. The leading contender is Saudi Aramco and its U.S. refining joint-venture Motiva Enterprises. Lyondell is seeking about \$1.5 billion for the refinery, the sources told Reuters. Returns from the refinery this year have been impacted by reduced production due to a planned overhaul in the first quarter, a fire on a coking unit in the second quarter and power outages in third quarter. Two of three power outages since August 9 were because of problems with third-party power providers to the refinery.

Reuters, 17:19 September 8, 2016

Reuters, 00:33 September 8, 2016

Valero Reports Isolated Power Interruption at Its 225,000 b/d Texas City, Texas Refinery September 8

Valero reported an isolated power interruption in complex 3 at its Texas City, Texas refinery, according to a filing with the Texas Commission on Environmental Quality.

Reuters, 17:44 September 8, 2016

Shell Says Operations Normal at Its 145,000 b/d Puget Sound, Washington Refinery September 8 after Process Upset September 7

Royal Dutch Shell Plc on Thursday said operations were normal at its Puget Sound refinery in Anacortes, Washington following a process upset experienced by an onsite process sewer system on Wednesday. Non-essential refinery personnel were evacuated as a precautionary measure while the issue was being addressed, the company said. There were no injuries or off-site impact following the incident, it added.

Reuters, 18:17 September 8, 2016

PES Seeks to Cut Costs at Its 335,000 b/d Philadelphia, Pennsylvania Refinery

Philadelphia Energy Solutions (PES), operator of the largest oil refinery on the East Coast, said its finances are “significantly stressed” and it’s looking to cut workers, reduce benefits, and delay capital projects. Company pension contributions will be frozen, healthcare benefits will be cut, and buyouts will be offered to salaried employees, the Chief Executive Officer said in an e-mail to workers on Wednesday. The company, owned by Carlyle Group LP and Energy Transfer Partners LP, said about \$250 million in costs for government-backed ethanol blending credits this year and low fuel prices along with high East Coast inventories are forcing it to reduce spending in all areas. Maintenance planned at the 335,000 b/d Philadelphia, Pennsylvania refinery will move to 2017. Refiners and importers need to meet biofuel quotas set by the government, either through blending fuel with ethanol or buying Renewable Identification Numbers, or RINs. Companies that don’t operate retail gasoline stations are unable to generate the credits by blending biofuels with the petroleum-based fuels they produce. Integrated refiners can generate the credits organically.

http://www.downstreamtoday.com/news/article.aspx?a_id=53437

Natural Gas

Enterprise Withdraws Williams Takeover Bid Citing Lack of Engagement September 8

Enterprise Products Partners on Thursday withdrew its takeover bid for rival Williams Cos Inc., saying that Williams' lack of engagement left it with "no actionable path forward." Williams said it was surprised by the withdrawal since it had a "series of exchanges" with Enterprise and was in the midst of reviewing the offer alongside advisors. Enterprise had made a second, all-stock offer for Williams in late August, topping its previous bid from earlier in the summer, according to a source familiar with the matter.

<http://www.enterpriseproducts.com/investors/news-releases?c=80547&p=RssLanding&cat=news&id=2200721&title=Enterprise+Withdraws+Indication+of+Interest+in+Williams>

<http://finance.yahoo.com/news/enterprise-pulls-williams-bid-due-204855330.html>

Update: Destin Pipeline Extends Decrease in Capacity at MP261 JP through September 12

Destin Pipeline on Thursday extended the take away capacity decrease for alternate offshore transportation service to Williams to MP261 JP. Destin decreased take away capacity at its MP261 JP Receipt platform by 40 MMcf/d to 195 MMcf/d on September 8 due to downstream turbine work and current flow rates at maximum capacity on its 24-inch lateral. Capacity is anticipated to be increased back to 235 MMcf/d effective for Timely Cycle gas day September 13, according to Destin.

Reuters, 15:58 September 8, 2016

Other News

Nothing to report.

International News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices			
September 9, 2016			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	45.83	43.12	44.08
\$/Barrel			
NATURAL GAS			
Henry Hub	2.84	2.92	2.73
\$/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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