



ENERGY ASSURANCE DAILY

Tuesday Evening, October 25, 2016

Major Developments

Update: Enterprise's 400,000 b/d Legacy Seaway Pipeline Remains Shut after Crude Oil Leak Discovered in Cushing, Oklahoma October 23; No Timeline for Restart

An Enterprise Products Partners spokesman said the company's Legacy Seaway pipeline remained shut on Tuesday with no estimate of when the line would reopen. On Sunday, Enterprise discovered a crude oil leak in Cushing, Oklahoma from its 850,000 b/d Seaway Pipeline System, which is comprised of two 30-inch diameter lines: a 400,000 b/d Legacy Line and a 450,000 b/d Twin Line. Both lines were shut temporarily on Monday, however the Twin Line restarted Monday afternoon after confirming the leak occurred from the Legacy Line. The spokesman said officials were still trying to determine the cause of the spill, and that the amount of crude oil spilled isn't known, although the actual volume is expected to be much less than initial estimates of 50,000 barrels, which is the total volume that the affected segment can hold. The 500-mile pipeline system connects the U.S. crude oil storage hub in Cushing to the Freeport, Texas area, and a terminal and distribution crude oil network that serves refineries in the Greater Houston area.

Reuters, 14:31 October 25, 2016

Electricity

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. The cause of the shutdown was not immediately known.

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

Update: RRI Energy's 130 MW Mandalay Gas-fired Unit 3 in California Returns to Service by October 24

The unit returned from an unplanned outage that began on October 23.

<http://content.caiso.com/unitstatus/data/unitstatus201610241515.html>

RRI Energy's 215 MW Gas-fired Unit 1 in California Shut by October 24

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201610241515.html>

PG&E's 119 MW Belden Hydro Unit in California Shut by October 24

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201610241515.html>

Update: Sunoco Finalizing Repair Plans on Its 8-Inch Product Pipeline in Pennsylvania October 25 after Gasoline Leak October 21

Sunoco Logistics Partners on Tuesday said it was finalizing repair plans for a section of pipeline in Gamble Township, Pennsylvania that leaked about 1,300 barrels of gasoline on Friday into the Loyalsock Creek as a result of damage caused by heavy rains and flooding. According to Sunoco, the pipeline appears to have been damaged by bridge that washed out during the flooding and traveled 100 yards down the creek. Sunoco intends to replace a 500-foot section of pipe using horizontal directional drilling, which will allow the new pipeline to be placed about 25-feet under the stream bed. The affected pipeline system carries refined petroleum products from the Reading, Pennsylvania area to markets in Williamsport and New York State, including Buffalo and Rochester. Reuters, 12:41 October 25, 2016

Husky Says Operations Normal at Its 170,000 b/d Lima, Ohio Refinery after Fire October 25

Husky Energy said operations were normal at its Lima, Ohio refinery following a small fire that occurred early on Tuesday morning. The fire was quickly extinguished by the company's in-house fire department, according to a source familiar with the plant's operations. A company spokesman confirmed that a small fire broke out at the refinery, and said there was no impact to operations. Reuters, 11:18 October 25, 2016

Update: LyondellBasell Partially Restarts Coker at Its 263,776 b/d Houston, Texas Refinery October 24 – Sources

Gulf Coast market sources on Monday said that LyondellBasell Industries partially restarted the 57,000 b/d coker at its Houston, Texas refinery, which was shut after a fire on October 15. The sources said two of the four coking drums were operating by Monday, and that Lyondell was working to bring the remaining drums into operation. Reuters, 17:29 October 24, 2016

Phillips 66 Reports Flaring, Emissions at Its 146,000 b/d Borger, Texas Refinery October 24

Phillips 66 reported that a flaring event at its Borger, Texas refinery resulted in emissions that exceeded 500 pounds of sulfur dioxide, according to a filing with the Texas Commission on Environmental Quality. Reuters, 17:18 October 24, 2016

Alberta Energy Regulator Launches Investigation in Trilogy Oil Line Leak October 25

The Alberta Energy Regulator issued a formal notice of investigation to Trilogy Energy Corp on Tuesday after a company pipeline spilled around 1,600 barrels of mixed oil and water in central Alberta. Trilogy reported the oil emulsion leak on October 7, and said it was discovered within its Kaybob Montney development about nine miles northeast of the town of Fox Creek. The regulatory agency said its investigation will confirm the volume of the spill and consider potential enforcement actions against Trilogy. The regulator had already issued an environmental protection order forcing the company to suspend operations and contain the leak.

<http://www.aer.ca/about-aer/media-centre/news-releases/news-release-2016-10-25>

Reuters, 14:46 October 25, 2016

Natural Gas

Update: SoCalGas Tests Additional Wells at Its 86 Bcf Aliso Canyon Natural Gas Facility in California October 24

Southern California Gas (SoCalGas) on Monday reported it completed safety tests on more wells at its Aliso Canyon natural gas storage facility in Los Angeles, which shut in October 2015 following a massive methane leak. In its latest report to California Division of Oil, Gas and Geothermal Resources (DOGGR), SoCalGas said 28 wells have passed all safety tests, 5 were awaiting test results, and 81 were temporarily taken out of operation. Under state law, SoCalGas cannot inject fuel into the field until DOGGR approves the company's testing of all 114 wells at the facility to ensure their safety. SoCalGas did not say when it would be ready to seek state regulatory approval to inject gas into the field.

<http://www.reuters.com/article/usa-sempra-alisocanyon-idUSL1NICU1W0?type=companyNews>

Update: Transco Says Several Leidy Line Segments Returned to Full Operating Pressure October 24

Williams Companies' Transcontinental Gas Pipeline Co (Transco) on Monday said several pipeline segments of the Leidy system have been returned to full operating pressure, reducing the potential impact of capacity limitations. On June 11, 2016, 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. Transco said it plans to continue restoration activities this year until winter weather or capacity requirements preclude further work. Certain Leidy line pipeline segments may continue to be operated at a reduced maximum pressure, according to Transco. Based on current progress primary firm transportation services moving west to east through station 515 constraint location could be impacted up to 200 MMcf/d during periods of high capacity utilization. Transco said during periods of high capacity utilization, further limitations on primary firm transportation services moving west to east through Stations 517 and 520 could be required if gas is not received in similar quantities and at locations along the Leidy system as typically experienced. 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=7587118&hfNoticeFlag=Y&hfDownloadFlag=false&hfFileName=download.html>

Reuters, 17:11 October 24, 2016

Other News

Nothing to report.

International News

Update: Shell Resumes Crude Exports from Forcados Terminal after Declaring Force Majeure February 21 Following Militant Attack

Royal Dutch Shell resumed crude exports from the Forcados terminal in Nigeria's restive Niger Delta after more than 8 months of repairs following a militant attack earlier in February. Shell declared force majeure on Forcados crude on February 21 after militants attacked the subsea pipeline that supplies the export terminal. Forcados exports averaged between 250,000–300,000 b/d prior to the outage.

Reuters, 14:42 October 25, 2016

Militants Claim Attack on Chevron's Escravos Export Pipeline in Nigeria October 25

A Nigerian militant group said it attacked an oil pipeline in Nigeria's restive southern energy hub on Tuesday and warned international oil companies not to carry out repairs on damaged energy infrastructure. The group said it took down Chevron Escravos export pipeline that feeds the Escravos offshore terminal.

Reuters, 7:19 October 25, 2016

Buckeye Partners Signs Agreement to Acquire 50 Percent of VTTI October 24

VTTI BV, VTTI Energy Partners LP, and Vitol on Monday announced that Buckeye Partners, L.P. signed a definitive agreement to acquire a 50 percent equity interest in the holding company of VTTI for \$1.15 billion. Upon completion, VTTI will be 50 percent (indirectly) owned by Buckeye and 50 percent (indirectly) by Vitol. The transaction is subject to regulatory approvals and customary closing conditions and is expected to close in early January 2017. VTTI is one of the largest independent global marine terminal businesses that, through its subsidiaries and partnership interests, owns and operates approximately 54 million barrels of petroleum products storage across 13 terminals located on five continents. These marine terminals are predominately located in key global energy hubs—including Northwest Europe, the United Arab Emirates and Singapore—and offer world-class storage and marine terminalling services for refined products, liquid petroleum gas, and crude oil.

<http://www.buckeye.com/LinkClick.aspx?fileticket=fFoELDvfYBk%3d&tabid=36>

Foreign Firms to Increase Spending on Iraqi Oil Fields in Basra – SOC Deputy Director General

Foreign oil companies will increase their investments to increase output in Basra, the main producing region of Iraq, the state-owned South Oil Company (SOC) Deputy Director General said on Monday, adding that private investment budgets increased to \$7.29 billion in 2017, from \$6.6 billion in 2016. Iraq's oil ministry recently launched a new round of bidding to develop 12 small to medium-sized oil fields straddling three provinces—four in Basra, five in Misan, and three in the Central province, according to a tender document on the ministry's website. Iraqi officials said in August the nation's oil output should increase next year by 250,000–350,000 b/d as companies improve yields from existing fields in the southern region that produces most of the nation's crude. Companies operating in southern Iraq include BP, Shell, Lukoil, Exxon, Eni, CNPC, and Petronas.

http://www.rigzone.com/news/oil_gas/a/147139/Foreign_Firms_To_Increase_Spending_On_Iraqi_Oil_Fields_In_Basra

Energy Prices

U.S. Oil and Gas Prices			
October 25, 2016			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	49.40	50.25	43.78
NATURAL GAS Henry Hub \$/Million Btu	2.76	3.16	2.43

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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