



ENERGY ASSURANCE DAILY

Thursday Evening, October 31, 2013

Electricity

Consumers Energy Plans to Demolish Three Coal-fired Plants in Michigan in 2016

Consumers Energy has asked the state to approve a bond issue that will allow it to close and demolish three coal-fired power plants in Michigan. The request to the Michigan Public Service Commission would allow it to close and demolish the B.C. Cobb plant on Muskegon Lake beginning in April 2016. The same closure and demolition plans were being made for coal-fired units at Consumers Energy's J.R. Whiting and J.C. Weadock.

<http://www.detroitnews.com/article/20131030/BIZ/310300072/1001/BIZ>

Dominion Reports Postulated Control Room Fire Could Cause Loss of Ability to Conduct Safe Shutdown at Its 1,130 MW Millstone Nuclear Power Plant in Connecticut

Dominion reported in a postulated event, a fire in the control room could cause one of the ammeter wires to short to the ground plane. Simultaneously, it is postulated that the fire causes another direct current wire from the opposite polarity on the same battery to also short to the ground plane. This could cause a ground loop through the unprotected ammeter wiring. This event could result in excessive current flow (i.e., heating) in the ammeter wiring to the point of causing a secondary fire in the raceway system. The secondary fire could adversely affect safe shutdown equipment and potentially cause the loss of the ability to conduct a safe shutdown.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2013/20131031en.html>

NPPD Reports Postulated Control Room Fire Could Cause Loss of Ability to Conduct Safe Shutdown at Its 764 MW Cooper Nuclear Power Plant in Nebraska

Nebraska Public Power District (NPPD) reported in a postulated event, a fire in the control room could cause one of the ammeter wires to short to the ground plane. Simultaneously, it is postulated that the fire causes another direct current wire from the opposite polarity on the same battery to also short to the ground plane. This could cause a ground loop through the unprotected ammeter wiring. This event could result in excessive current flow (i.e., heating) in the ammeter wiring to the point of causing a secondary fire in the raceway system. The secondary fire could adversely affect safe shutdown equipment and potentially cause the loss of the ability to conduct a safe shutdown.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2013/20131031en.html>

FPL's 693 MW Turkey Point Nuclear Unit 3 in Florida Reduced to 55 Percent by October 31

On the morning of October 30 the unit was operating at full power, according to the Nuclear Regulatory Commission.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2013/>

DTE's 1,089 MW Fermi Nuclear Unit 2 in Michigan Reduced to 85 Percent by October 31

On the morning of October 30 the unit was operating at full power, according to the Nuclear Regulatory Commission.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2013/>

Update: Dynegy's 510 MW Moss Landing Gas-fired Unit in California Returns to Service by October 30

The unit returned from an unplanned curtailment of 180 MW that began by October 28.

<http://content.aiso.com/unitstatus/data/unitstatus201310301515.html>

PG&E's 119 MW Belden Hydro Unit in California Shut by October 30

The unit entered an unplanned outage.

<http://content.aiso.com/unitstatus/data/unitstatus201310301515.html>

Petroleum

Koch Shuts Crude Oil Pipeline from Eagle Ford Shale to Corpus Christi, Texas After 400-Barrel Spill October 28

Koch Pipeline Co. said one of its pipelines that move Eagle Ford shale oil to Corpus Christi, Texas, refineries was shut after leaking about 400 barrels of crude oil on Monday. The company said the release was contained and the cleanup was under way. The leak was found during a routine aerial inspection of pipelines operating in the area. The company did not know why the leak occurred and has no estimate of when it will be fixed or when the pipeline will restart.

<http://www.kvue.com/news/Officials-cleaning-up-400-barrel-oil-spill-near-Smithville-229756751.html>

http://www.downstreamtoday.com/news/article.aspx?a_id=41232

Update: Citgo Expects to Restart Its 167,000 b/d Lemont, Illinois Refinery at Reduced Fuel Output After Fire

Citgo said it is set to restart some units at its Lemont, Illinois refinery but will keep the fire-damaged vacuum distillation unit (VDU) shut. As a result, fuel output will be much lower and the plant may need to seek lighter, sweeter crude in order to reduce residual fuel output from its typical processing of Canadian crude oil, sources said. The October 23 fire at Citgo's Lemont, Illinois, refinery is thought to have been caused by a leak of combustible fluid that workers found while replacing a pump in the bottoms section of the 75,000 b/d VDU. As the flow of leaking fluid increased, workers hoping to prevent a fire began spraying water on the unit. Despite the water spray, the fluid found an ignition source. The fire burned for three hours at the base of the VDU, causing heat distress to the supports. The blaze caused no injuries, but heavily damaged the VDU and some of its supports, while doing lighter damage to the piping connecting the VDU with the crude distillation unit (CDU). Initially, it appeared that the CDU would be out of commission with the VDU for up to six months of repairs. However, further inspection over the weekend showed the CDU could likely resume production. The VDU, however, may still need up to six months of repairs, the sources said. Along with the CDU and the VDU, most of the refinery's other units, including the 69,000 b/d fluidic catalytic cracker and 40,000 b/d coker were shut after the fire. These units are expected to restart sometime after the CDU resumes production, the sources said.

Reuters, 17:53 October 30, 2013

PBF Expanding Rail Offloading Infrastructure to Receive 125,000 b/d of Bakken Crude at Its 190,000 b/d Delaware City, Delaware Refinery

PBF is expanding crude-by-rail offloading infrastructure at its Delaware refinery to receive 125,000 b/d of North Dakota Bakken oil by May next year. The refinery can now take up to 105,000 b/d of Bakken crude, but can only process up to 100,000 b/d. The rest can be barged to the company's 160,000 b/d refinery in Paulsboro, New Jersey. PBF Energy Inc. also reported that it is ramping up Bakken crude shipments via rail to its Delaware refinery after cutting those runs in the third quarter when higher U.S. crude prices eroded the cost benefits of the shipments, the company said on Thursday. The company cut Bakken crude rail deliveries to 60,000 b/d and took imports instead. But prices have since fallen compared with London's Brent, so the company expects to increase Bakken rail deliveries to 90,000 b/d or more in the fourth quarter.

Reuters, 9:20 October 31, 2013

Reuters, 9:48 October 31, 2013

Update: Monroe Energy Restarts FCCU at Delta's 185,000 b/d Trainer, Pennsylvania Refinery October 30

Monroe Energy reported a fluid catalytic cracking unit (FCCU) at Delta Air Line Inc.'s refinery in Trainer, Pennsylvania, was restarted on Wednesday. The FCCU went offline on Sunday and was expected to be down for 48 to 60 hours.

Reuters, 17:10 October 30, 2013

ExxonMobil Stops Equipment Leak at Its 503,000 b/d Baton Rouge, Louisiana Refinery October 31

Exxon Mobil Corp. said it has identified and stopped a leak from equipment at its Baton Rouge, Louisiana, refinery. The equipment has been isolated for repair, the company said.

Reuters, 9:16 October 31, 2013

Suncor to Ship 75,000 b/d of Canadian Crude to Texas on TransCanada's Gulf Coast Pipeline by End of 2014

Suncor Energy Inc. will ship 75,000 b/d of heavy Canadian crude to Texas refineries on TransCanada Corp's 700,000 b/d Gulf Coast pipeline by the end of next year, the company said on Thursday. Suncor expects to begin filling the pipeline in the fourth quarter of 2013. That will enable the company to ship 50,000 b/d of oil sands crude to the Gulf Coast region, with capacity ramping up to 75,000 b/d by the end of 2014. TransCanada has said it expects testing on the pipeline, which will ship crude from the Cushing, Oklahoma, to Nederland, Texas, to be completed by early November.

Reuters, 11:59 October 31, 2013

Magellan Midstream Extends Open Season for Potential 75,000 b/d Arkansas Pipeline to November 20

Magellan Midstream Partners, L.P. announced Wednesday an extension of the open season to solicit capacity commitments from shippers to transport refined petroleum products to Little Rock, Arkansas. Binding commitments are now due by November 20, 2013. Magellan is assessing customer interest to transport up to 75,000 b/d of gasoline, diesel fuel, and jet fuel from the partnership's Ft. Smith, Arkansas, terminal, providing the Little Rock market access to refined products from Mid-Continent and Gulf Coast refineries via Magellan's refined petroleum products pipeline system. The potential project includes construction of an approximately 160-mile, 12-inch diameter pipeline from Magellan's Ft. Smith terminal to the Little Rock market. The potential pipeline could be operational in the third quarter of 2015.

<http://www.magellanlp.com/magellannews.aspx?id=2147483881>

Phillips 66 Plans to Develop 142,000 b/d LPG Export Terminal in Freeport, Texas

Phillips 66 plans to develop a liquefied petroleum gas (LPG) export terminal in Freeport, Texas. The new terminal is intended to help meet growing global market demand for U.S.-supplied products. The proposed LPG export terminal would provide 4.4 million barrels per month of LPG export capacity. It would be located at the site of the company's existing marine terminal in Freeport and utilize existing Phillips 66 midstream, transportation, and storage infrastructure to supply petrochemical, heating, and transportation markets globally. The export terminal project is currently in the engineering design phase, which includes the process of filing for all applicable permits. Final project approval is anticipated during the first half of 2014 with startup planned for the middle of 2016.

http://www.phillips66.com/EN/newsroom/news_releases/2013NewsReleases/Pages/10-31-2013.aspx

Suncor Energy Proceeding With 180,000 b/d Fort Hills Oil Sands Project in Alberta

Suncor Energy on Wednesday announced that, together with Total E&P Canada Ltd. and Teck Resources Limited, it has voted unanimously to proceed with the Fort Hills oil sands mining project. The Fort Hills project is located in Alberta's Athabasca region, north of Fort McMurray. The project is scheduled to produce first oil as early as the fourth quarter of 2017 and achieve 90 percent of its planned production capacity of 180,000 b/d within 12 months. With best estimate contingent resources of approximately 3.3 billion barrels of bitumen, the mine life is expected to be in excess of 50 years at the current planned production rate.

<http://www.suncor.com/en/newsroom/2418.aspx?id=1830931>

Enbridge to Develop 270,000 b/d Norlite Diluent Pipeline to Supply Oil Sands Producers in Alberta by 2017

Enbridge Inc. on Wednesday announced that it will develop a new industry diluent pipeline to meet the needs of multiple producers in the Athabasca oil sands region. The base 16-inch diameter scope for the project will be anchored by throughput commitments from the Fort Hills Partners for volumes for the proposed Fort Hills oil sands project and by Suncor Energy Oil Sands Limited Partnership for its proprietary oil sands production. The Norlite Pipeline remains subject to Suncor board approval, as well as customary regulatory approvals. Enbridge anticipates securing additional long term commitments to the Norlite Pipeline in the near term which could result in an increase in scope to a 24-inch/20-inch system. This Norlite system would be capable of transporting 270,000 b/d of diluent from Edmonton into the oil sands region and has the potential to be further expanded with the addition of pump stations to an ultimate capacity of over 400,000 b/d. The targeted in-service date is the second quarter of 2017.

<http://www.enbridge.com/MediaCentre/News.aspx?yearTab=en2013&id=1776117>

Enbridge to Develop 490,000 b/d Wood Buffalo Extension Pipeline for Fort Hills, Suncor in Alberta by 2017

Enbridge Inc. on Wednesday announced that it has been selected by the Fort Hills Partners as well as Suncor Energy Oil Sands Limited Partnership to develop a new \$1.6 billion pipeline to transport crude oil production under long term transportation commitments to Enbridge's mainline hub at Hardisty, Alberta. The Wood Buffalo Extension pipeline will transport volumes from the proposed Fort Hills oil sands project as well as growth from Suncor's existing oil sands operations. The pipeline remains subject to Suncor board approval, as well as customary regulatory approvals. Enbridge will transport as much as 490,000 b/d of diluted bitumen produced at the Fort Hills Partners' project in northeastern Alberta and Suncor's growing oil sands production in the Athabasca region. The 281-mile, 30-inch pipeline will be an extension of the recently commissioned Wood Buffalo Pipeline and will be constructed from Enbridge's Cheecham Terminal to its Battle River Terminal at Hardisty. It is targeted to come into service in the second quarter of 2017.

<http://www.enbridge.com/MediaCentre/News.aspx?yearTab=en2013&id=1776116>

Natural Gas

280,000 b/d Texas Express NGL Pipeline Begins Operations in Texas October 31

Enterprise Products Partners L.P., Enbridge Energy Partners, L.P., Anadarko Petroleum Corporation, and DCP Midstream Partners L.P. today announced the start of service on the Texas Express natural gas liquids (NGL) pipeline from Skellytown, Texas, to the NGL fractionation and storage complex in Mont Belvieu, Texas. The Texas Express Pipeline will give producers in West and Central Texas, the Rocky Mountains, southern Oklahoma, the Mid-continent, and the Denver-Julesburg basin takeaway capacity for growing NGL volumes and improved access to the NGL trading hub, located along the Gulf Coast. Supported by long-term contracts, the 583-mile pipeline has an initial capacity of approximately 280,000 b/d and can be expanded to approximately 400,000 b/d.

<http://phx.corporate-ir.net/phoenix.zhtml?c=80547&p=irol-newsArticle&id=1870750&highlight=>

Thunder Creek Announces Binding Open Season for Its 40,000 b/d NGL Pipeline in Wyoming October 30

Thunder Creek NGL Pipeline LLC announced on Wednesday the start of a binding open season for a new interstate, common-carrier pipeline system that will transport unfractionated natural gas liquids (NGLs) produced in Wyoming's Powder River Basin to potential delivery points on the Overland Pass Pipeline near the Colorado-Wyoming border and the Front Range NGL Pipeline near Lucerne, Colorado. The open season started on October 30, 2013, and will close on November 29, 2013. The pipeline is expected to have a preliminary design capacity of 40,000 b/d and is expected to become operational in the second quarter of 2015.

<http://www.meritagemidstream.com/newsroom/thunder-creek-ngl-pipeline-llc-open-season-notice>

Other News

Nothing to report.

International News

Libya Lifts Force Majeure on Hariga Oil Terminal October 30, Oil Protestors Still Inside

Libya's National Oil Corp. (NOC) said on Thursday it had lifted its force majeure on the Hariga oil terminal in the far east of the country after the resumption of production and shipping. Oil export operations have not yet resumed as protesters are still inside the port. Protesters had blocked oil exports in the port located in Tobruk city for around two months.

Reuters, 7:46 October 31, 2013

Reuters, 10:54 October 31, 2013

Libya Exporting Around 150,000–200,000 b/d of Crude, Looks to Restart Shipments From Mellitah Port Within 10 Days

Libya is exporting around 150,000–200,000 b/d of crude and hopes to restart shipments from its Mellitah port in the west within 10 days, a government official said on Thursday. Libya's oil exports have fallen in recent weeks to around 10 percent of its capacity as renewed protests halted operations at ports and fields. Libya is producing around 250,000–300,000 b/d of crude, of which 100,000 b/d is being used domestically, with the rest being exported, the oil and gas ministry said.

Reuters, 1:23 October 31, 2013

Libya Plans to Build Two Oil Refineries in Areas Affected by Strikes – Prime Minister

Libya plans to build two oil refineries in its east and south, where strikes have shut down crude facilities, the Prime Minister said on Wednesday. The government planned a 300,000 b/d refinery in Tobruk in the east where protesters have blocked the Hariga port for around two months. Another 50,000 b/d refinery would be set up in Ubari in the south where workers have shut down the El Sharara oilfield since the weekend.

http://www.downstreamtoday.com/news/article.aspx?a_id=41223

Iraqi Kurdistan Plans 1 Million b/d Oil Pipeline via Turkey – Natural Resources Minister

Iraq's northern Kurdistan region plans to complete a second oil export pipeline to Turkey in the next 18 months to two years with a capacity of 1 million b/d, the region's natural resources minister said on Thursday. Iraqi Kurdistan would monitor its crude oil exports independently of the central government in Baghdad once a new pipeline to Turkey is opened, and said that line would link to the existing Kirkuk-Ceyhan pipeline and make use of its spare capacity.

http://www.rigzone.com/news/oil_gas/a/129885/Iraqi_Kurdistan_Plans_Second_Oil_Pipeline_via_Turkey_Minister

Mexican Officials Evacuate 4,500 People After Gasoline Pipeline Leak Caused by Fuel Thieves October 30

Mexican officials evacuated about 4,500 people on Wednesday after a gasoline pipeline leak that was blamed on fuel thieves. The leak, which did not catch fire, occurred near Guadalajara. State-owned Pemex said the leak was caused by a clandestine tap. Emergency personnel erected a sand-bag barrier around the leak to contain the gasoline and prevent it from contaminating more soil or entering storm drains. Pemex said it closed the nearest valves to isolate the leak and reduce pressure.

http://www.rigzone.com/news/oil_gas/a/129871/Mexico_Evacuates_4500_for_Gasoline_Pipeline_Leak

Energy Prices

U.S. Oil and Gas Prices			
October 31, 2013			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	96.38	96.51	86.11
NATURAL GAS Henry Hub \$/Million Btu	3.55	3.66	3.42

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>

Please direct comments and questions to: ead@oe.netl.doe.gov