



ENERGY ASSURANCE DAILY

Tuesday Evening, December 16, 2014

Electricity

Copper Thieves Damage Substation, Cut Power to 2,000 Clallam Public Utility District Customers in Washington December 13

Copper thieves damaged three Clallam Public Utility District voltage regulators and knocked out power to about 2,000 residents in the Elwha Valley, Washington for nearly 12 hours December 13. Estimated damages totaled \$120,000.

<http://www.peninsuladailynews.com/article/20141214/news/312149959/copper-thief-cuts-power-to-2000-after-damaging-clallam-public>

DOE Releases Draft Environmental Impact Statement for 720-mile Transmission Line through Arkansas

The U.S. Department of Energy (DOE) has released a 3,700-page Draft Environmental Impact Statement for Clean Line Energy Partners' \$2 billion, 720-mile transmission line to pass through Arkansas. In April, the company announced it would build a \$100 million converter station along the Plains & Eastern Clean Line's route, somewhere in central Arkansas. The DOE's draft impact statement said based on Clean Line's feasibility evaluation, the converter station could be sited in either Pope County or Conway County. The transmission line would include converter stations at the endpoints, near Guymon, Oklahoma, and Memphis, Tennessee. The Plains & Eastern Clean Line project would deliver more than 4,000 MW from renewable energy generation facilities in Oklahoma to customers in Arkansas, Tennessee and other areas throughout the southeast. The project won't break ground until 2016, and is expected to be online by the end of 2018.

<http://energy.gov/nepa/downloads/eis-0486-draft-environmental-impact-statement>

<http://www.arkansasbusiness.com/article/102445/us-department-of-energy-releases-draft-eis-on-transmission-line>

Update: Southern's 870 MW Hatch Nuclear Unit 2 in Georgia Reduced to 49 Percent by December 16

On the morning of December 15 the unit was operating at 75 percent.

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

Petroleum

PES to Restart Boiler at Its 335,000 b/d Philadelphia, Pennsylvania Refinery December 22

Philadelphia Energy Solutions (PES) plans to restart a problem boiler on December 22 at its refinery in Philadelphia, Pennsylvania after weeks of limited production, according to a person familiar with the facility. The CO boiler unexpectedly went down on November 20, and a previous attempt to restart was unsuccessful, according to the source, who added that the shutdown has limited production throughout the refinery. The company restarted a 30,000 b/d reformer last week, according to local regulatory filings. The reformer was shut down for routine maintenance in October and its restart was delayed due to the unexpected boiler problem, the source said. The company also plans to shut down a 85,000 b/d catalytic cracker and a 38,000 b/d reformer unit on January 30 for up to 60 days for maintenance, the source said. A 20,000 b/d alkylation unit will be shutdown on January 15 for up to 60 days.

Reuters, 9:50 December 16, 2014

Chevron Stabilizes Hydrocracker Unit after Trip at Its 245,271 b/d Richmond, California Refinery December 15

Reuters, 12:37 December 15, 2014

ExxonMobil Reports Unplanned Flaring, Breakdown at Its 149,500 b/d Torrance, California Refinery December 15

ExxonMobil Corp reported unplanned flaring due to a breakdown at its refinery in Torrance, California, according to a filing with the South Coast Air Quality Management District. The filing listed event start date as December 15, 1:44 p.m., local time and event end date as December 15, 11:59 p.m., local time.
Reuters, 17:51 December 15, 2014

MARAD Considers Exports of Oil, Gas from Deepwater Ports

The U.S. Maritime Administration, or MARAD, is seeking comment on a proposed policy to evaluate applications for building and operating offshore deepwater ports for exporting U.S. oil and natural gas. The agency, part of the U.S. Transportation Department, issued a notice in the Federal Register in October about the rule. Congress has banned most U.S. crude exports since the Arab oil embargo of the 1970s led to fears of petroleum shortages. As drilling for natural gas has boomed in recent years, the Obama administration has approved several projects to export liquefied natural gas, or LNG, that could start shipping in the next few years. Senator Lisa Murkowski, the incoming chairman of her chamber's Energy and Natural Resources Committee, sent a letter to the director of MARAD on Monday, expressing support for the agency's efforts to prepare for future exports of oil and gas from deepwater ports. MARAD said when it proposed the rule that it intends to use existing deepwater port regulations for the review, signaling that companies that want to build such export facilities would not have to contend with a complicated new application process.
Reuters, 16:33 December 15, 2014

Oil Drops below \$59 per Barrel for First Time Since 2009

Oil fell below \$59 a barrel for the first time since May 2009 on Tuesday. International benchmark Brent crude has almost halved since reaching a 2014 high of \$115 a barrel in June. Ample supply, slowing demand and a switch in strategy by the Organization of the Petroleum Exporting Countries (OPEC) to defending market share rather than prices have all hit crude prices. A report showing Chinese industrial activity shrank for the first time in seven months in December added to concern about oil demand. China is the second-largest oil consumer after the United States. OPEC declined to cut production at a November 27 meeting and, despite slumping prices, major Gulf OPEC members have since shown no sign of reversing course, seeing no need for an emergency OPEC meeting. Russia's energy minister also said on Tuesday his country will not cut production. Weakening emerging-market currencies and economies also weighed on prices, analysts said.
Reuters, 9:53 December 16, 2014

Update: Magellan Midstream Extends Open Season to January 30 for Its 400,000 b/d Saddlehorn Pipeline from Colorado to Oklahoma

Magellan Midstream Partners, L.P. on Monday announced an extension of the open season for commitments on the Saddlehorn Pipeline to transport various grades of crude oil from the Niobrara play in northeast Colorado to Magellan's storage facilities in Cushing, Oklahoma. Binding commitments are now due on January 30, 2015. The Saddlehorn Pipeline includes construction of an approximate 600-mile, 20-inch diameter pipeline capable of transporting up to 400,000 b/d of crude oil from Platteville, Colorado to Magellan's storage facilities in Cushing. Subject to sufficient support for additional origins, Magellan may also add three new origin points for receipt of crude oil in Weld County near Riverside, Briggsdale, and Pawnee. Magellan is currently in the process of obtaining permits and right-of-way. Subject to receipt of necessary permits and regulatory approvals, the Saddlehorn Pipeline from Platteville to Cushing is expected to be operational during the second quarter of 2016.
<http://www.magellanlp.com/magellannews.aspx?id=2147484011>

Natural Gas

EPNG Declares Force Majeure Due to Equipment Failure at Its Pecos River Compressor Station in Texas December 15

El Paso Natural Gas (EPNG) experienced a failure of equipment associated with the Pecos River compressor station and as such the station is currently unavailable. The capacity through the Pecos constraint will be reduced by 120 MMcf/d to 1,061 MMcf/d effective for Intraday 1 (Cycle 3) for Gas Day December 15 and remain in effect until further notice.

<http://passportebb.elpaso.com/ebbmasterpage/Notices/NoticesAutoTable.aspx?code=EPNG&status=Notice&name=Critical%20Notices&sParam1=1&sParam3=14354&sParam14=D&details=Y>

Atlas Reports Flaring Due to Shut Slam Valve at Its 200 MMcf/d Driver Gas Plant in Texas December 15

Atlas reported flaring when the Atmos Company coalescent filter failed at the metering station, filling with water and closed the slam valve. The fluids were removed from the Atmos coalescent filter, new filters were installed, the case was reassembled and the slam valve opened. Atlas put all units down due to high downstream pressure and put all units back online once the Atmos contractor finished repairs to their system.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=207475>

Enterprise Begins Open Season for Proposed 50,000 b/d Expansion of Panola NGL Pipeline System in Texas

Enterprise Products Partners L.P. on Monday announced the start of a binding open season to seek shipper support for a proposed expansion of the portion of its Panola Pipeline Company, LLC natural gas liquids (NGL) system between Carthage, Texas and Mont Belvieu, Texas. The project is designed to support Haynesville and Cotton Valley oil and gas producers by providing enhanced access to the world's largest NGL fractionation complex, located in Mont Belvieu. Originating near Carthage in Panola County, the NGL pipeline system extends 181 miles, serving multiple destination points at Mont Belvieu, including facilities owned and operated by Enterprise. Depending on shipper response to the open season, the Panola expansion project would be designed to accommodate approximately 50,000 b/d of incremental capacity. Achieving the additional capacity would involve installing additional pipe, pumps and related equipment. The additional capacity is expected to be available in the first quarter of 2016.

<http://phx.corporate-ir.net/phoenix.zhtml?c=80547&p=irol-newsArticle&id=1999475&highlight>

Other News

Nothing to report.

International News

Libya's Oil Production Has Fallen 'Significantly' This Week – NOC

Libya's oil production has fallen "significantly" this week after the two biggest oil ports, Es Sider and Ras Lanuf, halted operations due to fighting nearby, a spokesman for state National Oil Corp (NOC) said on Tuesday. Only Brega and Hariga oil ports, also located in the east, and offshore fields were still operating, an NOC spokesman said. The western Mellitah port was only processing gas because the connected El Feel oilfield was still closed. Reuters, 7:14 December 16, 2014

Nigeria Oil Unions Start Strike, Output Seen Unaffected

Nigeria's oil unions began an indefinite strike on Monday, although crude production in Africa's top producer is not likely to be affected, oil industry sources said. The Petroleum and Natural Gas Senior Staff Association of Nigeria (PENGASSAN) and Nigeria Union of Petroleum and Natural Gas Workers are protesting over the government's failure to effectively maintain the country's refineries or reduce its subsidized prices at the pump as oil prices fall to record lows. An oil executive said this strike was not expected to affect output.

http://www.downstreamtoday.com/news/article.aspx?a_id=45720

Energy Prices

U.S. Oil and Gas Prices			
December 16, 2014			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	55.92	63.65	97.22
NATURAL GAS Henry Hub \$/Million Btu	3.66	3.50	4.44

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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