



ENERGY ASSURANCE DAILY

Friday Evening, January 30, 2015

Electricity

Southern Co Projects 18-Month Delay in Construction of Two New 1,117 MW Units at Its Vogtle Nuclear Plant in Georgia

Southern Co. on Thursday said the firms building units 3 and 4 at Southern's Vogtle nuclear power plant in Georgia estimate the project will be delayed 18 months. Westinghouse Electric Co. and Chicago Bridge & Iron Co. expect the first reactor at Plant Vogtle will be complete in mid-2019, and the second reactor will come online in mid-2020, Southern Co. said. The power company said it has not accepted the new timeline, and it suggested builders might be able to accelerate the schedule. The two new units will have a combined capacity of 2,234 MW.

<http://finance.yahoo.com/news/builder-projects-18-month-delay-010157709.html>

<http://www.southerncompany.com/what-doing/energy-innovation/nuclear-energy/pdfs/Vogtle-Fact-Sheet.pdf>

Update: Progress Energy's 811 MW Brunswick Nuclear Unit 2 in North Carolina at Full Power by January 30

On the morning of January 29 the unit was operating at 75 percent, reduced from full power on January 28.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2015/>

Exelon's 1,022 MW Clinton Nuclear Unit in Illinois Reduced to 88 Percent by January 30

On the morning of January 29 the unit was operating at 98 percent.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2015/>

Exelon's 850 MW Dresden Nuclear Unit 3 in Illinois Reduced to 57 Percent by January 30

On the morning of January 29 the unit was operating at full power.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2015/>

Petroleum

U.S. Senate Passes Bill Approving TransCanada's 800,000 b/d Keystone XL Pipeline January 29; Faces Presidential Veto

The U.S. Senate passed a bill approving the long-pending Keystone XL oil pipeline on Thursday, a measure the White House said President Barack Obama would veto. Senators voted 62-36 on the bill to bypass the Obama administration's review of Keystone, five short of the number needed to overturn a potential rejection by the president. The project would bring 800,000 b/d of heavy oil from Alberta and light U.S. crude to Nebraska en route to refineries on the Gulf Coast. The House of Representatives has voted nine times to approve the project. Aides to House leaders said it was not clear whether the chamber would vote to pass the Senate bill or work out changes in conference talks. Obama is expected to make his own decision soon on Keystone. The State Department has told other federal agencies they have until February 2 to conclude their assessment of the project.

http://www.downstreamtoday.com/news/article.aspx?a_id=46208

Phillips 66 to Decide Later this Year Whether to Build 200,000 b/d Pipeline from Eagle Ford Shale to Sweeny Refinery in Texas

The sharp drop in U.S. oil prices has prompted Phillips 66 to hold off until later this year on deciding whether to build a 200,000 b/d pipeline from the Eagle Ford shale in Texas to its 247,000 b/d Sweeny, Texas refinery and its liquid petroleum gas (LPG) export facility under construction in Freeport, Texas, company president said on Thursday. The company initially announced the project last October. Phillips 66 had thought the company would decide whether to move forward on the new pipeline by mid-2015, but the company president said that decision likely will come later.

Reuters, 17:16 January 29, 2015

Monarch Oil Pipeline Extends Open Season on Its 30,000 b/d Pipeline Project in Texas

Monarch Oil Pipeline, LLC, a subsidiary of Monarch Natural Gas Holdings, LLC, today announced an extension of the open season to solicit capacity commitments from shippers on the Monarch Pipeline. The open season, which began on December 1, 2014 and was originally scheduled to close on January 30, 2015, will now close on February 20, 2015. The Monarch Pipeline system will continue to be divided into two primary components, an upstream gathering system to transport crude oil from the Production Areas to the Casey Station, an operational terminal and storage facility in Section 161 in Lipscomb County, Texas, and an 8-inch mainline pipeline that will transport crude oil from the Casey Station to the Plains' Reydon Station interconnect. Monarch projects an initial capacity of 30,000 b/d on each component, but is open to negotiations to increase the pipeline capacity and/or alter its configuration to meet market needs. The anticipated in-service date remains the second quarter of 2015.

<http://monarchnaturalgasllc.com/open-season/>

Environmentalists Sue to Stop Crude-by-Rail Deliveries to Plains All American's Bakersfield Crude Terminal in California

Environmental groups on Thursday sued a California regulator that permitted trains carrying crude oil to begin making deliveries at a terminal in Bakersfield, arguing the permit was issued in secret and the volatile crude could cause explosions. The plaintiffs asked the California Superior Court to stop operations at the newly opened Bakersfield Crude Terminal in Taft until a full environmental review is conducted. The terminal, located in Kern County, began receiving crude in November from North Dakota and Canada and is owned by Plains All American Pipeline LP.

Reuters, 16:13 January 29, 2015

Plains Midstream's 70,000 b/d Kerrobert, Saskatchewan Crude-by-Rail Terminal to Start-Up in Mid-2015

Plains Midstream Canada, a subsidiary of Plains All American Pipeline, has started looking for workers at its new crude-by-rail unit train terminal in Kerrobert, Saskatchewan, due to start up mid-2015, according to the company. Initial capacity at the terminal will be one unit train, or 70,000 b/d, with capacity to expand to two trains daily. Unit trains are dedicated crude-oil trains, up to a mile long, that can carry more crude and offer better economics than mixed-cargo manifest trains. Plains also ships crude from other manifest terminals in Western Canada, and will have capacity to transport around 100,000 b/d once Kerrobert is operating, Plains Midstream Canada president Dave Duckett said. The terminal will connect into Plains' Manito Pipeline system and the Enbridge Inc system, and be served by Canadian Pacific Railway

http://www.downstreamtoday.com/news/article.aspx?a_id=46213

Buckeye Announces Open Season for Its Michigan/Ohio Pipeline Expansion Project to Transport Refined Products Eastward

Buckeye Partners, L.P. announced today that one of its operating subsidiaries, Buckeye Pipe Line Transportation LLC, launched a binding open season to solicit commitments for its Michigan/Ohio Pipeline Expansion Project. Once complete, the project will allow Buckeye Transportation to offer expanded transportation service of refined petroleum products from origin points in Woodhaven and Detroit, Michigan, and Toledo and Lima, Ohio to destination points in Ohio and Western Pennsylvania. Shippers electing to make long-term volume commitments to the project during the open season will be eligible to receive firm service for their committed volumes. The binding open season will conclude on March 31, 2015.

<http://www.buckeye.com/LinkClick.aspx?fileticket=GW6yLIEGNZQ%3d&tabid=83&mid=1635>

Update: Marathon Plans Mid-February Restart for FCCU at Its 451,000 b/d Galveston Bay, Texas Refinery – Sources

Marathon Petroleum Corp has tentatively planned to restart a 60,000 b/d fluidic catalytic cracking unit 1 (FCCU) at its Galveston Bay Refinery in Texas City, Texas, on February 14, sources familiar with the refinery's plans said. FCCU 1 is the smaller of two at the refinery and was shut for repairs on January 13 following a malfunction. A 120,000 b/d FCCU at the refinery has continued in production at the refinery while FCCU 1 has been shut. Reuters, 7:16 January 29, 2015

Phillips 66 Says Steam System Upset Causes Flaring at Its 139,000 b/d Wilmington, California Refinery January 29

Phillips 66 said its Wilmington, California refinery experienced flaring as a result of a steam system upset. The company said the refinery continues to operate. Reuters, 19:33 January 29, 2015

Oasis Petroleum Tanks Overflow, Cause Oil Spill near Williston, North Dakota January 28

Close to 40,000 gallons of oil and brine were spilled when Oasis Petroleum tanks overflowed near Williston, the North Dakota Department of Health announced January 28. Crews contained most of the spill to the site and authorities continue to investigate the incident.

<http://www.inforum.com/news/3666737-tanks-overflow-cause-oil-spill-nearwilliston>

Natural Gas

Tallgrass Energy Declares Force Majeure on Its 1.8 Bcf/d Rockies Express Mainline Segment 300 in Missouri January 29

Tallgrass Energy on Thursday evening reported its 1,698-mile Rockies Express Pipeline LLC (REX) experienced an operational interruption due to the rupture of its 42-inch, 1.8 Bcf/d mainline on Segment 300 near Bowling Green in Pike County, Missouri. A spokesperson for the Bowling Green Fire Department said about 50 homes were evacuated within a 1-mile radius of the break. A return to service date is unknown at this time. Accordingly, REX declared a Force Majeure situation which requires a capacity reduction through Segment 300 until the repairs are completed. Effective for the ID 1 Cycle, Gas Day Friday, January 30 and continuing until further notice, REX will schedule nominated quantities through Segment 300 to the extent displacement capacity is available. According to REX's informational postings website, nominations on Segment 300 were down to 431 MMcf/d on January 30 from 1,335 MMcf/d on January 29. REX transports natural gas from the Rocky Mountains to the Midwest as far as western Ohio.

<http://pipeline.tallgrassenergyllp.com/Pages/NoticeDetail.aspx?pipeline=501&type=CRIT>

<http://pipeline.tallgrassenergyllp.com/Pages/Content.aspx?pipeline=501&type=SMRY>

<http://www.connecttristates.com/news/story.aspx?id=1156557#.VMvgHWjF9qE>

DCP Midstream Reports Turbine Shut at Its 160 MMcf/d Goldsmith Gas Plant in Texas January 29

DCP Midstream reported turbine A shutdown on high vibrations which caused the site to flare inlet gas. New vibration probes were installed and parameters reset.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=209521>

Other News

Copper Wire Stolen From More Than 230 Columbia Water and Light Utility Poles in Missouri

The Columbia Police Department released a report January 27 stating that at least 230 city utility poles in central and northern Columbia, Missouri had pieces of their essential grounding wire stolen. Columbia Water and Light crews worked to assess the total amount of damage and determine how to replace the wires in order to prevent future thefts.

<http://www.columbiamissourian.com/a/184354/copper-wire-stolen-from-morethan-200-utility-poles/>

Update: Yemen Lifts Force Majeure on LNG Deliveries from Its 6.7 Million Tonne per Year Balhaf LNG Export Terminal

Yemen on Friday lifted force majeure on liquefied natural gas (LNG) deliveries from its Balhaf LNG export terminal, trading sources with knowledge of the matter said. Reuters reported last week that the 6.7 million tonne per year gas export terminal, operated by France's Total, had declared force majeure due to deteriorating security following the collapse of the government.

Reuters, 6:42 January 30, 2015

Algeria LNG Output Disrupted on Partial Shutdown, Rough Sea – Trade Sources

Algeria's liquefied natural gas (LNG) exports have fallen sharply this month due to a partial shutdown at Sonatrach's Skikda LNG export terminal while high seas have prevented some tankers from entering port at Sonatrach's Arzew LNG export terminal, trade sources said. The 9.2 million tonnes per year Skikda terminal appears to have stopped exporting LNG on January 7 and there has only been intermittent activity since, three trading sources said, saying disruptions could drag on for months. It was unclear if Skikda was experiencing a full-blown or partial maintenance outage. A shipping source confirmed that some Skikda cargoes had been canceled or deferred, adding that one cargo was due to be exported in the next few days and another around February 20. One trader said the disruptions could last for 70 days in total. The port loaded no shipments all through last week while choppy seas again showed signs of disrupting exports on Friday, the source added. Reuters, 13:25 January 30, 2015

Energy Prices

U.S. Oil and Gas Prices			
January 30, 2015			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	47.76	45.87	98.25
NATURAL GAS Henry Hub \$/Million Btu	2.88	2.93	5.20

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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