



ENERGY ASSURANCE DAILY

Tuesday Evening, February 03, 2015

Electricity

Upper Peninsula Power Company Reports Fire at Its Escanaba, Michigan Substation February 2

A fire at an Escanaba power plant substation in Michigan caused an explosion February 2 that knocked out power to an unknown number of Upper Peninsula Power Company customers. The fire resulted in rolling blackouts Monday evening and by Tuesday morning power had been restored, according to the city of Escanaba Electric Department. <http://abc10up.com/large-scale-explosion-at-power-plant-causes-outages/>

NRC Initiates Special Investigation after Emergency Shutdown During Snowstorm at Entergy's 685 MW Pilgrim Nuclear Plant in Massachusetts

The Nuclear Regulatory Commission (NRC) initiated a special inspection at Entergy's Pilgrim nuclear power plant in Plymouth, Massachusetts to review issues surrounding an emergency shutdown January 27 when a snowstorm caused one of two lines that provide off-site power to the plant to trip and resulted in a reactor shutdown, or scram. The 6-member team was scheduled to arrive February 2 and will evaluate the equipment problems that occurred during the shutdown as well as the challenges that surfaced during the event. <http://www.nrc.gov/reading-rm/doc-collections/news/2015/15-003.i.pdf>

Update: Duke Energy's 846 MW Oconee Nuclear Unit 3 in South Carolina Restarts, Ramps Up to 25 Percent by February 3

The unit was shut from full power by February 1. <http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2015/>

Update: Dynegy, LLC's 510 MW Moss Landing Gas-fired Unit 2 in California Returns to Service by February 2

The unit returned from an unplanned curtailment of 260 MW that began by January 31. <http://content.caiso.com/unitstatus/data/unitstatus201502021515.html>

Petroleum

Update: Refinery Strike Continues as Shell, USW Meet February 2

Royal Dutch Shell Plc negotiators met on Monday with the union representing workers at U.S. refineries as a strike stretches into a third day after talks on a new national contract broke down. A United Steelworkers (USW) spokeswoman said no progress was made toward a new agreement after the two sides discussed the issues. Walkouts called on Sunday at nine facilities (7 refineries, 1 chemical plant, and 1 cogeneration facility) were the first since 1980 in support of a nationwide pact that would cover 63 refineries. Tesoro Corp's 166,000 b/d Martinez, California, refinery, already in a turnaround, was being fully shut down. A spokeswoman said with half of the refinery shut down for planned maintenance and given the USW decision to strike, the safest operating option at this time for Martinez is to shut down the remaining process units. Shell activated a strike contingency plan at its joint-venture 327,000 b/d refinery and chemical plant in Deer Park, Texas, to maintain operations. Tesoro said management was operating its 251,000 b/d refinery in Carson, California, and its 120,000 b/d plant in Anacortes, Washington. The USW also called strikes at Marathon Petroleum Corp's, 451,000 b/d Galveston Bay, Texas, refinery and its 242,000 b/d Catlettsburg, Kentucky, refinery; and at LyondellBasell Industries 264,000 b/d Houston refinery. Marathon said on Sunday it has plans in place to ensure continued operation of its refineries in Texas and Kentucky. The USW said all other refineries it represents would operate under rolling 24-hour contract extensions. Reuters, 21:44 February 2, 2015 <http://www.reuters.com/article/2015/02/02/us-refineries-labor-strikes-idUSKBN0L60CL20150202>

Marathon's Planned Work on Its 240,000 b/d Catlettsburg, Kentucky Refinery May be Delayed Due to Strike – Sources

Marathon Petroleum Corp's planned autumn work at its refinery in Catlettsburg, Kentucky, may be delayed because of a strike that began this weekend, according to two people familiar with the facility's operations. The maintenance work, which is expected to last 60 days and includes shutting down the plant's 120,000 b/d crude unit, requires planners who are represented by the local United Steelworkers, who went on strike Sunday. If the strike lasts more than a month, the sources said, then work will be delayed.

Reuters, 18:56 February 2, 2015

Motiva Plans to Restart Production at Coker Unit at Its 285,000 b/d Port Arthur, Texas Refinery January 2 – Sources

Motiva Enterprises plans to restart production at the coker unit at its Port Arthur, Texas, refinery later this week, according to a person familiar with the plant. The unit is currently in circulation but is not putting out any product, the source said.

Reuters, 11:59 February 2, 2015

Valero Restoring FCCU to Planned Levels at Its 156,000 b/d McKee, Texas Refinery January 2 – Sources

Valero is restoring a fluid catalytic cracking unit (FCCU) at its McKee refinery in Dumas, Texas, and expects the unit to be at planned levels within a few days, according to a person familiar with the plant's operations. Energy industry information provider Genscape said previously that the unit was experiencing excess emissions because of maintenance.

Reuters, 13:00 February 2, 2015

Imperial Says Its 110,000 b/d Kearl Oil Sands Expansion to Start Early

Imperial Oil Ltd's Kearl oil sands project expansion will start ahead of schedule, the company said on Monday. Imperial said construction on the Kearl expansion in northern Alberta is essentially complete. The oil sands mining project will start up in the third quarter of 2015, roughly three months ahead of its previous forecast. The Kearl expansion will eventually produce 110,000 b/d, doubling potential production capacity. However, Kearl Phase One has struggled to meet full output targets since it opened two years ago. Bitumen production from Kearl in the fourth quarter rose 27 percent from the same period a year earlier to average 66,000 bpd. Output was affected by the mine being shut for three weeks in November after a "vibration issue" was detected in the facility's ore-crushing unit. Imperial expects overall spending at about C\$4 billion (\$3.2 billion) in 2015, 29 percent less than in 2014.

http://www.downstreamtoday.com/news/article.aspx?a_id=46259

Enbridge Applies to Fill 570,000b/d Edmonton to Hardisty, Alberta Pipeline on March 17

Enbridge Inc plans to begin filling its new 570,000 barrel per day Edmonton to Hardisty, Alberta, pipeline with oil on March 17, according to a regulatory filing. The company has applied with Canada's National Energy Board for permission to open the line, which must first be filled with crude prior to entering service. Enbridge said previously it expects the pipeline to begin shipping oil around April 1.

Reuters, 11:23 February 3, 2015

Natural Gas

Update: Tallgrass Energy Reports Force Majeure to Remain in Effect on Its 1.8 Bcf/d Rockies Express Mainline Segment 300 in Missouri through February 8

Tallgrass Energy reported the force majeure declared January 29 remains in effect after 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. Based on the current progress of repairs, REX now anticipates that service will be restored on or about Sunday, February 8.

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

El Paso Pipeline Declares Force Majeure at Waha Compressor Station in Texas January 2

Due to unscheduled maintenance issues associated with the GE compressor unit owned and operated by Enterprise GC at the Waha Compressor Station, the El Paso Natural Gas Company, L.L.C. (EPNG) tail shaft mainline compressor at Waha is unavailable. This incident constitutes an event of Force Majeure. EPNG anticipates a return to service of March 31, 2015. During this time, EPNG will only be able to operate the four existing solar compressor units at the Waha facility. Waha receipts at several points will be dependent on the individual interconnects pressures. Waha deliveries at several points will be limited to 300 MMcf/d effective Cycle 2 (evening cycle) for gas day February 3. Additionally, due to the relative pressures between the Waha discharge and IVALEROW, EPNG is currently unable to make deliveries into this point.

<http://passportebb.elpaso.com/ebbmasterpage/Notices/NoticesAutoTable.aspx?code=EPNG&status=Notice&name=Critical%20Notices&sParam1=1&sParam3=14529&sParam4=D&details=Y>

Other News

Nothing to report.

International News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices			
February 3, 2015			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	52.99	45.47	96.39
\$/Barrel			
NATURAL GAS			
Henry Hub	2.63	2.93	4.87
\$/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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