



ENERGY ASSURANCE DAILY

Thursday Evening, February 5, 2015

Electricity

PSE&G's 1,092 MW Salem Nuclear Unit 2 in New Jersey Reduced to 60 Percent by February 5

On the morning of February 4 the unit was operating at full power.

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

Dominion Planning 400 MW Expansion of Large-Scale Solar in Virginia

Dominion Virginia Power is planning to develop multiple large-scale solar projects totaling 400 MW of electricity. All projects are expected to be operational by 2020. Dominion expects to invest \$700 million in these projects. The company is actively working to identify and select construction sites around Virginia through a site-selection process that includes evaluating the slope and terrain of land, as well as other electrical and environmental factors.

<https://www.dom.com/residential/dominion-virginia-power/news/news-releases/136979>

Petroleum

Update: USW Plans to Reject Latest Pay Offer from Refiners as Strike Continues February 5 – Sources

The United Steelworkers (USW) union plans to reject the latest contract offer lead negotiator Royal Dutch Shell Plc made to U.S. refinery workers, sources familiar with the talks said on Thursday as a strike went into its fifth day. The international union, which represents 63 U.S. refineries and chemical plants, relayed the proposal to locals last night, with the recommendation that they reject it, the sources added. About 4,000 workers at nine plants, including seven refineries accounting for 10 percent of U.S. refining capacity, have been on strike since Sunday in California, Kentucky, and Texas. Companies have called in trained non-union labor to keep plants running. The two camps have been in a stalemate since the USW called the walkouts, saying Shell had left the negotiating table when talks broke down.

Reuters, 11:55 February 5, 2015

Strike Possible at SilverRange Financial Partners' 115,000 b/d Come By Chance, Newfoundland Refinery

SilverRange Financial Partners and the local union at the oil refinery in Come By Chance, Newfoundland, have come to an impasse over a new contract, and a mid-March strike looms unless the two sides can break the deadlock, the union's chief negotiator said Thursday. The negotiations, which have spanned about four weeks, appear headed to a government-mandated conciliatory process unless a last-minute deal is struck, a United Steelworkers staff representative and chief negotiator for the local union said. The local USW contract expired on January 1, and the company made their final offer on Thursday. The two sides disagree on the length of the contract and scheduled pay raises, a person familiar with the negotiations said.

Reuters, 11:21 February 5, 2015

Citgo Says Operations Normal after Upset at Its 163,000 b/d Corpus Christi, Texas Refinery February 5

Reuters, 12:17 February 5, 2015

Phillips 66 Reports Unit Upset at Its 120,200 b/d Rodeo, California Refinery February 5

Phillips 66 reported a substance was released to flare due to unit upset at its Rodeo, California refinery, according to the California Emergency Management Agency.

Reuters, 00:50 February 5, 2015

Suncor No Longer Shipping Crude by Rail to U.S. Gulf Coast

Suncor Energy is no longer shipping crude by rail to the U.S. Gulf Coast because it is not economic to do so at current prices, the Chief Executive said on Thursday. The company is still shipping crude by rail to its refinery in Montreal, Quebec.

Reuters, 10:28 February 5, 2015

Plains All American Receives Government Approval to Export Condensate

Plains All American LP has U.S. government approval to export minimally processed super-light oil, the Chief Operating Officer said on Thursday. He said during the fourth quarter last year, the company received confirmation from the U.S. Department of Commerce's Bureau of Industry and Security that condensate processed in Plains' 80,000 b/d stabilizer in West Texas qualifies as an exportable refined product.

Reuters, 10:33 February 5, 2015

Magellan Says BridgeTex Crude Oil Pipeline Throughput at 200,000 b/d in Fourth Quarter

Magellan Midstream Partners on Thursday said throughput on its Bridgetex crude oil pipeline in Texas, running from Colorado City in the Permian Basin to Houston refiners, averaged 200,000 b/d during the fourth quarter. Magellan started commercial service on the 300,000 b/d line in late September. BridgeTex had a throughput of 160,000 b/d in its first month of commercial service. The company said site preparation and contractor selection for its condensate splitter project in Corpus Christi, Texas was underway. Construction of the project is expected to commence in mid-2015 and the splitter is expected to be operational during the second half of next year.

<http://www.magellanlp.com/magellannews.aspx?id=2147484016>

Reuters, 9:03 February 5, 2015

Plains All American Announces Two New Pipelines to Transport Crude, Condensate from Delaware Basin in Texas and New Mexico

Plains All American Pipeline, L.P. (PAA) today announced plans to construct two new Delaware Basin pipelines and related gathering systems, to expand its existing Blacktip station and to construct a 20-inch loop line from Blacktip station to Wink, Texas. These new infrastructure builds in West Texas and New Mexico will support PAA's previously announced 24-inch Basin Pipeline loop from Wink to Midland and new 12-inch pipeline from Monahans to Crane. The new Delaware Basin pipelines, Avalon Extension and State Line, are backed by producer commitments. The 32-mile, 12-inch Avalon Extension pipeline will extend the Avalon pipeline, which runs from the PAA Avalon station in northwest Loving County to its Blacktip station in southeast Loving County, Texas, into Culberson County, Texas, and is capable of transporting up to 100,000 b/d of crude oil from northern Loving and Culberson Counties. The line and two new truck unloading facilities at Orla, Texas and at Highway 285 are expected to be brought into service in phases beginning in July 2015, with total system completion, including the associated gathering system, scheduled for September 2015. The 60-mile, 16-inch State Line pipeline will connect Culberson County to Wink, Texas, running along the Texas-New Mexico state line. State Line will connect Delaware Basin production in southern Eddy and Lea Counties in New Mexico and northern Loving, Reeves and Culberson Counties in Texas to the existing network of PAA Permian Basin assets. The pipeline will be capable of transporting up to 150,000 b/d of batched crude oil and condensate. State Line is expected to be brought into service in phases beginning in early 2016 and concluding in mid-2016, with completion of the associated gathering system anticipated by early 2016. The Blacktip station expansion and pipeline loop will include building 200,000 barrels of new operational tankage and associated pumping to provide an additional 200,000 b/d of pipeline capacity from the Blacktip station to Wink. The Blacktip station expansion and loop pipeline are expected to be completed in August 2015.

<http://ir.paalp.com/profiles/investor/ResLibraryView.asp?ResLibraryID=75257&BzID=789&t=1309&g=549&Nav=0&LangID=1&s=0>

Oklahoma Corporation Commission Orders SandRidge Energy's Injection Well Shut after Oklahoma Earthquake January 30

The Oklahoma Corporation Commission ordered SandRidge Energy to shut down its injection well in Alfalfa County February 3 due to continuing earthquakes following a magnitude-4.1 earthquake recorded in the area January 30. The injection well was operating under a "yellow light" permit which would allow the well to be shut in contingent on any seismic activity.

http://www.tulsaworld.com/news/local/state-orders-injection-well-shut-downafter-northwestern-oklahoma-earthquake/article_4184d155-d9b2-523d-a8d5-033174ff8584.html

<http://www.occeweb.com/SeismicStatementB.pdf>

U.S. DOE to Test Carbon Monitoring Technology at Quest Oil Sands Project in Alberta

The U.S. Department of Energy (DOE) said on Wednesday it would spend up to \$500,000 to test monitoring technologies at a Royal Dutch Shell Plc oil sands carbon-capture and storage facility under construction in northern Alberta. The department said it will field test advanced monitoring, verification and accounting technologies for the storage of carbon dioxide underground at the Quest project, which is attached to an oil sands upgrader that converts bitumen from the oil sands into refinery-ready synthetic crude. The department said such technologies are crucial to track the movement of carbon dioxide in underground storage reservoirs and to ensure the gas is permanently stored. The Quest project will store as much as one million tonnes of the gas annually.

http://www.downstreamtoday.com/news/article.aspx?a_id=46297

Natural Gas

Williams and Crestwood Midstream Announce Commissioning of 120 MMcf/d Bucking Horse Gas Processing Plant in Wyoming

Williams Partners L.P. and Crestwood Midstream Partners L.P. today announced the commissioning of the Bucking Horse gas processing facility located in Converse County, Wyoming. The Bucking Horse plant, along with the Jackalope Gas Gathering System (JGGS), is owned through a 50/50 joint venture between Williams Partners and Crestwood Midstream Partners. The joint venture expects volumes through the Bucking Horse plant to significantly ramp-up throughout the remainder of the first quarter of 2015 utilizing much of its capacity as existing rich gas production is re-directed from third-party processing facilities and previously curtailed volumes along the Jackalope System begin to flow.

<http://investor.williams.com/press-release/williams/williams-partners-and-crestwood-midstream-partners-announce-commissioning-buc>

Regency Reports AGI Shut at Its 290 MMcf/d Waha Gas Plant in Texas February 5

Regency reported the acid gas injector (AGI) shut on high first stage suction pressure due to low amine still temperature. Inlet rates were reduced and the amine still overhead temperatures stabilized allowing for the restart of the AGI compressor. Ambient temperatures were affecting the operation of the amine system.

<http://www11.tceq.state.tx.us/occeer/index.cfm?fuseaction=main.getDetails&target=209741>

DCP Midstream Reports SRU Shut at Its 160 MMcf/d Goldsmith Gas Plant in Texas February 4

DCP Midstream reported the sulfur recovery unit (SRU) went down due to pressure shutdown. The plant operator immediately accessed the problem and called out instrumentation personnel to repair the pressure switch.

<http://www11.tceq.state.tx.us/occeer/index.cfm?fuseaction=main.getDetails&target=209740>

Other News

Nothing to report.

Libya's Output Not Affected by Mabrook Oilfield Attack – Oil Minister

An attack by gunmen on the Mabrook oilfield on Tuesday had not affected Libya's crude production, the oil minister of a rival government said on Thursday. The oil minister said Libya will protect all oilfields and the property of foreign firms, adding that the field was now secured by an oil protection force. It used to pump 40,000 b/d. Libya is producing oil at a rate of between 350,000 b/d and 400,000 b/d.

Reuters, 10:16 February 5, 2015

Energy Prices

U.S. Oil and Gas Prices			
February 5, 2015			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	51.38	43.47	96.89
NATURAL GAS Henry Hub \$/Million Btu	2.73	2.89	7.91

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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