



ENERGY ASSURANCE DAILY

Tuesday Evening, June 16, 2015

Electricity

Entergy's 979 MW Indian Point Nuclear Unit 3 in New York Shut by June 16

The unit was shut from full power on June 15 due to a turbine trip.

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

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2015/20150616en.html>

JCP&L Completes \$10 Million Substation Expansion to Enhance Service Reliability in New Jersey

Jersey Central Power & Light (JCP&L) on Monday said it completed a \$10 million substation expansion project in West Amwell Township, New Jersey, adding resiliency to the electric system and enhancing reliability for customers in the surrounding area. Benefiting 75,000 customers in Hunterdon County and the Hopewell Township area of Mercer County, the expanded substation includes a 120-ton transformer to convert voltage levels; four new circuit breakers to protect vital equipment; and technology to prevent widespread outages. Crews also installed a new half-mile section of 230 kV transmission line with five monopoles. The work is part of JCP&L's previously-announced plans to spend about \$267 million in 2015 to enhance and maintain a strong electrical system and help meet future growth in its 13-county service area.

https://www.firstenergycorp.com/newsroom/news_releases/jcp-l-completes--10-million-substation-expansion-to-enhance-serv.html

Petroleum

Update: Tropical Storm Bill Makes Landfall on Texas Coast; Minimal Impact Expected on Oil and Gas Operations

The National Hurricane Center (NHC) at the National Oceanic and Atmospheric Administration (NOAA) reported that Tropical Storm Bill made landfall on Matagorda Island around 12:00 p.m. CDT today, and was moving west at approximately 9 mph. Maximum sustained winds remain near 60 mph, with higher gusts, and tropical-storm force winds extending up to 150 miles from the center. The storm is expected to move inland over south-central Texas this afternoon and tonight. Bill is forecast to weaken to a tropical depression overnight as the storm moves inland.

Voluntary evacuations were called for some low-lying areas south of Houston. The storm has already led to evacuations of some non-essential personnel from offshore oil platforms in the Gulf of Mexico, however companies report that production shut-ins are unlikely. Chevron Corp and Royal Dutch Shell evacuated non-essential offshore workers but did not shut-in production. Enterprise Products Partners evacuated 20 employees and contractors from three Gulf of Mexico oil and natural gas platforms. Enterprise doesn't operate the platforms, but runs pipelines that move their output ashore, including Anadarko Petroleum's 120,000 b/d Marco Polo platform. Both Enterprise and Anadarko spokesmen said facilities remained operational and the storm shouldn't impact production. BP reported its off-shore facilities were continuing normal operations and ConocoPhillips said the storm's projected path shouldn't affect operations. ExxonMobil, Hess, Murphy Oil, Phillips 66, BHP Billiton, and Williams Co. said they were not evacuating personnel and production was unaffected. Onshore, LyondellBasell said it was deploying sandbags at its refining and chemical facilities, and only essential workers for fuel production are scheduled to work Tuesday at Shell's 327,000 b/d Deer Park and 600,000 b/d Port Arthur refineries in Texas.

<http://www.nhc.noaa.gov/text/refresh/MIATCPAT2+shtml/161758.shtml>

Reuters, 11:01 June 16, 2015

Reuters, 13:49 June 16, 2015

Reuters, 17:41 June 15, 2015

Update: Houston Ship Channel Fully Closed June 15 Due to Tropical Storm Bill; Coast Guard Further Restricts Port Movements along Texas, Louisiana Coasts

On June 15, the Captain of the Port set Port Condition X-RAY in the Houston-Galveston sector, which places restrictions on vessels entering, exiting, and conducting cargo operations. The Houston Ship Channel closed to both incoming and outgoing traffic at 6:05 EDT (5:05 CDT) June 15 and remains closed. The Houston Pilots currently have 15 ships waiting to come in and 17 waiting to sail however do not anticipate movements resuming until Thursday morning, June 18, due to the weather conditions. The Galveston-Texas City Pilots and Brazos Pilots are also not moving due to the conditions. Condition WHISKEY was declared for Port Arthur on Monday and temporary safety zones were established for the port(s) of Beaumont, Port Arthur, Orange, Texas and Lake Charles including all tributaries and connecting waterways. Port Arthur's vessel tracking service reported that Sabine Waterway Pilots stopped moving vessels at 3:15 CDT June 15 but anticipated that the sea state would recede enough to begin movements Tuesday afternoon or evening. Condition WHISKEY was also declared on Monday for the majority of ports within the Corpus Christi sector—X-RAY was declared for Port Victoria, to include Port Comfort, Port Lavaca and Port O'Connor. The Captain of the Port has indicated the ports will remain open until the Aransas Corpus Christi Pilots close them.

<https://homeport.uscg.mil/mycg/portal/ep/portDirectory.do?tabId=1&cotpId=28>

<https://homeport.uscg.mil/mycg/portal/ep/portDirectory.do?tabId=1&cotpId=22>

<http://pta.ports.moranshipping.com/Pages/Notices.aspx?NID=3738&Month=June&Year=2015>

<http://lkc.ports.moranshipping.com/Pages/Notices.aspx?NID=3164&Month=June&Year=2015>

<http://crp.ports.moranshipping.com/Pages/Notices.aspx?NID=2973&Month=June&Year=2015>

Update: Ruptured Plains All American Oil Pipeline in California Had Severe Corrosion

Photos of the pipeline that spilled oil on the Santa Barbara, California coast May 19 show extensive corrosion and provide clues about the cause of the rupture, experts said. Corrosion visible around the crack, coupled with wear documented inside the pipe, led Robert Bea, a civil engineering professor emeritus at the University of California, Berkeley, to believe the pipe burst during a pressure spike when the operator restarted pumps that had failed the morning of the spill. The pictures released on Monday under a California Public Records Act request show the 6-inch tear that spewed up to 101,000 gallons of oil, polluting beaches and killing hundreds of birds and marine mammals. Plains All American Pipeline is paying cleanup costs that have exceeded \$60 million.

http://www.contracostatimes.com/california/ci_28317598/photos-ruptured-oil-pipeline-provide-clues-spill-cause

<http://losangeles.cbslocal.com/2015/06/15/photographs-of-ruptured-oil-pipeline-show-visible-corrosion-expert-says/>

Citgo's 172,045 b/d Lemont, Illinois Refinery in Start-Up Mode June 16 after Power Blip June 15

Citgo Petroleum Corp said on Tuesday its refinery in Lemont, Illinois was in start-up mode after the plant's boilers and processing units were shut on Monday due to a power outage and steam loss. The refinery's electrical feeder attached to the plant's main electrical substation experienced a shutdown, leading to the subsequent shutdown of the units, a company official said. Citgo said it did not expect any market impact due to the short duration of the incident.

Reuters, 9:35 June 16, 2015

ExxonMobil Reports Boiler Upset at Its 344,600 b/d Beaumont, Texas Refinery June 16

ExxonMobil Corp reported an unspecified unit boiler malfunctioned at its Beaumont, Texas, refinery. The company said there was minimal impact to production.

Reuters, 10:01 June 16, 2015

Shell Reports Restarting Unit at Its 255,000 b/d Scotford, Alberta Facility June 16

Royal Dutch Shell Plc reported restarting a unit at its Scotford, Alberta facility on June 16. Shell runs a 255,000 b/d oil sands upgrader facility and a 100,000 b/d refinery at Scotford.

Reuters, 14:15 June 16, 2015

Tesoro Reports Unplanned Work, Flaring at Its 166,000 b/d Martinez, California Refinery June 16

Tesoro said its Martinez, California refinery experienced flaring as a result of equipment shutdown and it was performing brief unplanned, unspecified maintenance.

Reuters, 10:54 June 16, 2015

Reuters, 4:46 June 16, 2015

Update: Par Petroleum Says Unit Upset had Minimum Production Impact at Its 94,000 b/d Kapolei, Hawaii Refinery June 12

Par Petroleum Corp said equipment malfunction caused by a unit upset on Friday had minimum impact on production at its Kapolei, Hawaii refinery. The company said the refinery was back to planned rates over the weekend.

Reuters, 16:47 June 15, 2015

U.S. SPR Oil Should be Tied to Size of Potential Disruptions – Energy Secretary

U.S. Energy Secretary Ernest Moniz said on Monday that the size of the national emergency oil reserve should be tied to the amount of oil that could be lost in potential global supply disruptions. Strategic Petroleum Reserve (SPR), which has a capacity to store 727 million barrels, may be more important today than it has ever been, said Moniz, at Energy Information Administration's annual conference. The 2014 test sale of 5 million barrels of oil from the SPR showed that work needs to be done to improve the ability of getting emergency oil to market. Proposals on Capitol Hill have called for the U.S. to export sweet oil from SPR.

Reuters, 13:33 June 15, 2015

Imperial's 110,000 b/d Kearl Oil Sand Expansion Project in Alberta Begins Production Ahead of Schedule

Imperial today announced the successful startup of the Kearl oil sands expansion project, with all three froth trains operational. Production from the expansion project is expected to ultimately reach 110,000 b/d, bringing total production from Kearl to 220,000 b/d. The Kearl initial development commenced production in April 2013. Located about 47 miles northeast of Fort McMurray, Alberta, Kearl is expected to recover approximately 4.6 billion barrels of bitumen over an estimated project life of more than 40 years.

http://www.imperialoil.ca/Canada-English/about_media_releases_20150616.aspx

BNSF Expects Crude-by-Rail Volumes to Grow After Price Rebound

A 37 percent rebound in oil prices will boost crude-by-rail shipments as drillers complete more wells and extract more crude that U.S. pipelines don't have the capacity to handle, BNSF's executive chairman said Monday. BNSF is preparing for a recovery after shipments of crude oil and petroleum products by rail fell from a record 17,074 cars the week of December 12 to less than 13,000 in March as crude oil prices fell by more than half. The production cuts and strong demand from refineries have led prices to rebound to about \$60 a barrel from a six-year low of less than \$44 in March. Falling oil prices have caused BNSF to reconsider a shift from diesel to liquefied natural gas to fuel locomotives, BNSF's executive chairman said, and market changes or carbon pricing are needed to make such a switch economic at current conditions.

http://www.downstreamtoday.com/news/article.aspx?a_id=48053

Shell Receives Environmental Approval for Offshore Nova Scotia Drilling Project

Canada's Environment Minister announced Monday that Shell's proposed Shelburne Basin Venture Exploration Drilling Project is not likely to cause significant adverse environmental effects. The project consists of up to seven exploration wells located approximately 155 miles off the coast of Nova Scotia. In her environmental assessment decision statement, the Minister has set out legally binding conditions, which include mitigation measures and follow-up requirements that the proponent must meet to proceed with the project. Shell holds a 50 percent stake in the project, while joint venture partners ConocoPhillips and Suncor Energy hold 30 and 20 percent, respectively.

<http://news.gc.ca/web/article-en.do?mthd=advSrch&ctr.mnthndVl=&ctr.mnthStrtVl=&ctr.page=1&nid=987859&ctr.yrndVl=&ctr.kw=shell&ctr.yrStrtVl=&ctr.dyStrtVl=&ctr.dyndVl>

Reuters, 17:59 June 15, 2015

Natural Gas

Tallgrass Energy Declares Force Majeure on Its Rockies Express Segment 270 in Missouri June 15

Tallgrass Energy Partners declared a force majeure on Monday at segment 270 of its Rockies Express natural gas pipeline, saying it had identified an anomaly on its mainline upstream of the Turney compressor station in Missouri. The company said it was currently mobilizing repair crews and expects work to be completed by early Wednesday morning. The 1,698-mile natural gas pipeline system stretches from Rio Blanco County, Colorado, to Monroe County, Ohio, with a capacity of 1.8 Bcf/d.

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

Update: State Officials Investigating Energy Transfer Partners Pipeline Explosion in Texas

State officials were investigating the cause of the explosion of Energy Transfer Partners natural gas pipeline in South Texas Sunday night. An Energy Transfer spokeswoman said the 42-inch pipeline was used to transport natural gas from wells in the booming Eagle Ford shale formation to a processing station in Jackson County, about 50 miles away.

Reuters, 21:08 June 15, 2015

Update: Transco Sees Its Leidy Natural Gas Pipeline Segment in New Jersey Offline until June 25

Williams Cos Inc's Transcontinental Gas Pipeline Co (Transco) said its Leidy Southeast Expansion Project pipeline between station 505 and Princeton Junction will be out of service until approximately June 25 after declaring force majeure. The 10,200-mile Transco pipeline system from South Texas to New York City moves gas from the U.S. Gulf Coast and Appalachia to customers in the Southeast, Mid-Atlantic, and Northeast.

<http://www.1line.williams.com/1Line/wgp/download?delvid=6559982&hfNoticeFlag=Y&hfDownloadFlag=false&hfFileName=download.html>

Regency Reports AGI Compressor Shut at Its 290 MMcf/d Waha Gas Plant in Texas June 15

Regency reported the recompressors lost power causing the plant to shut down. The plant was restarted and all equipment was brought online.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=215764>

Other News

Nothing to report.

International News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices			
June 16, 2015			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	60.03	60.10	107.02
NATURAL GAS Henry Hub \$/Million Btu	2.87	2.65	4.67

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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