



ENERGY ASSURANCE DAILY

Friday Evening, July 10, 2015

Electricity

Thunderstorms Knock Out Power to Over 14,000 PECO Customers in Pennsylvania July 9

Thunderstorms knocked out power to over 14,000 PECO customers on Thursday night in Pennsylvania, with Montgomery County being the most severely affected. As of 3:30 p.m. EDT, 3,025 PECO customers remained without power.

https://www.peco.com/_layouts/peco/OutageMap.aspx

<https://patch.com/pennsylvania/ambler/14k-without-power-region-montco-hardest-hit>

Update: Entergy's 979 MW Indian Point Nuclear Unit 3 in New York Restarts, Ramps Up to 56 Percent by July 9

Indian Point's nuclear unit 3 returned to service on Thursday afternoon after control room operators safely and manually shut down the reactor on Wednesday. Operators observed fluctuating water levels inside a steam generator, and later determined that one of the unit's three condensate pumps automatically shut down while the reactor was operating at full power. Condensate pumps feed water into the plant's steam generators; the loss of pumping pressure led to fluctuating water levels inside the steam generator which alerted control room operators.

<http://www.entergynewsroom.com/latest-news/indian-pointnuclear-power-plant-returns-service/>

Exelon Begins Construction on 1,000 MW Gas-fired Unit at its 704 MW Wolf Hollow Generating Station in Texas July 9

Exelon Generation broke ground Thursday on the construction of a new low-carbon, combined-cycle gas turbine (CCGT) at Exelon's Wolf Hollow Generating Station in Granbury, Texas. The new CCGT will provide an additional 1,000 MW to the existing 704 MW natural gas power plant. The new unit will be one of the most environmentally friendly and efficient CCGTs in the state and the nation, using General Electric's most advanced gas turbine technology and an air cooling system, eliminating the use of water to cool the unit. The new unit at Wolf Hollow is one of two new CCGTs the company is developing in Texas. The other 1,000 MW CCGT will be constructed at Exelon's existing Colorado Bend Generating Station in Wharton, Texas, which is approximately 60 miles outside of Houston. Both units are expected to achieve commercial operation in 2017.

<http://www.exeloncorp.com/Newsroom/Pressreleases.aspx>

Petroleum

Update: Shell Restarts Its Bengal Refined Products Pipeline in Louisiana July 9 after Minor Leak July 7

Shell Pipeline Company on Thursday reopened its Bengal refined products pipeline, which was shut on Tuesday after discovering a small leak in a segment in North Baton Rouge. The Bengal pipeline was repaired and operational, a company spokeswoman said on Thursday. There were no injuries associated with the incident and the cause of the release was being probed, she said. The pipeline connects refineries in Louisiana to the newly merged tank farms of Colonial Pipeline and Shell in Baton Rouge.

Reuters, 6:43 July 10, 2015

Update: BP-Husky Delays Restart of FCCU at Its 135,000 /d Toledo, Ohio Refinery – Source

BP-Husky's fluid catalytic cracking unit (FCCU) at its refinery in Toledo, Ohio will remain shut for up to 30 days—longer than initially expected—after workers discovered a crack in the unit's reactor, according to a person familiar with the plant's operations. The 55,000 b/d FCCU was shutdown unexpectedly on Tuesday, a source said earlier this week. Before the crack was discovered, officials expected to restart the unit by the weekend. The refinery is a joint operation between BP and Husky Energy Inc.

Reuters, 16:46 July 9, 2015

TransCanada Launches Binding Open Season for Its 590,000 b/d Keystone Pipeline from Alberta to Cushing, Oklahoma and Gulf Coast Texas

TransCanada Corporation today launched an open season to offer additional binding commitments to interested parties for transportation of crude oil on the Keystone Pipeline System from Hardisty, Alberta to markets on the U.S. Gulf Coast. TransCanada was also offering crude oil shippers extra space on its Keystone pipeline after technological improvements freed up 10,000-15,000 b/d of capacity, the company said on Friday. The overall capacity on the Keystone pipeline has not changed, but the company will be able to increase daily volumes, a TransCanada spokesman said. Interested shippers will have until September 12 to submit bids for the extra space. Around 90 percent of capacity on the pipeline is reserved for committed shippers, with the remainder available for spot volumes. The 2,600 mile Keystone Pipeline System delivers to key market locations at Wood River and Patoka, Illinois, Cushing, Oklahoma, and Port Arthur, Texas. The open season that will close on September 2.

<http://www.transcanada.com/news-releases-article.html?id=1966116&t>

Reuters, 11:59 July 10, 2015

Canada Studying Impact of Long Oil Trains on Railway Track Integrity

Canadian officials are studying the impact of long oil trains on the integrity of the country's railway tracks, Transport Minister Lisa Raitt said on Friday. Raitt said the research is part of the federal response to a series of derailments along Canadian National Railway Co's mainline in northern Ontario earlier this year. Oil unit trains are made up almost entirely of tank cars carrying crude oil rather than a mixture of freight. Some industry experts have suggested that the trains might put unusual stress on railway tracks. Others point out that while oil unit trains are new, heavier unit trains carrying coal and other commodities have operated for decades. CN Rail, the country's biggest railway, suffered a string of derailments in February and March, including three along one section of its main route through northern Ontario. Two of those trains were carrying oil.

Reuters, 11:52 July 10, 2015

U.S. House of Representatives Passes Bill to Fund Drug Programs through 80 Million Barrel SPR Oil Sale July 10

The U.S. House of Representatives passed a bill on Friday that would tap the Strategic Petroleum Reserve (SPR) to fund a program speeding new drugs to market. The bill, which passed 344 to 77, would sell 80 million barrels over 8 years from the SPR to increase funding for the U.S. National Institutes of Health and the Food and Drug Administration to boost research and approvals of new treatments for rare diseases. The surge in U.S. shale oil production has cut crude oil imports by about a third over the past decade, spurring debate about whether the SPR needs to remain at its current inventory of 694 million barrels. The bill could see changes as it passes to the Senate.

Reuters, 13:24 July 10, 2015

North Dakota Oil Production Up 30,000 b/d in May vs. April to 1,200,000 b/d – Industrial Commission

Oil production in North Dakota rose 30,000 b/d to 1,200,000 b/d in May, monthly data from the state's Industrial Commission showed.

Reuters, 11:40 July 10, 2015

Williams Transco Reports Unplanned Work on Its SELA Natural Gas Pipeline in Louisiana July 9

Williams Cos Inc's Transcontinental Gas Pipeline Co (Transco) reported an unplanned valve replacement on the departing line of ship shoal 70 on the southeastern Louisiana lateral (SELA). Transco said the work will last 4 days commencing on July 14.

<http://www.1line.williams.com/1Line/wgp/download?delvid=6608987&hfNoticeFlag=Y&hfDownloadFlag=false&hfFileName=download.html>

Kinder Morgan's Chicago Area Pipeline Expansion to Undergo FERC Environmental Review

The Federal Energy Regulatory Commission (FERC) will complete an environmental review on the Chicago Market Expansion Project resulting in an environmental assessment (EA) in order to receive federal approval. The natural gas pipeline expansion project was proposed by Natural Gas Pipeline Company of America, LLC, a subsidiary of Kinder Morgan, Inc. and is expected to be in-service on November 1, 2016. The project will provide about 238,000 dekatherms of incremental northbound firm transportation capacity to the Chicago, Illinois area.

Reuters, 6:21 July 10, 2015

FERC's Environmental Review of Rockies Express Pipeline Project to Conclude in August

The Federal Energy Regulatory Commission (FERC) has scheduled an August 31 issuance of the environmental assessment (EA) for the Rockies Express Pipeline LLC's (REX) Zone 3 Capacity Enhancement Project, a report resulting from a federally-mandated environmental review. The proposed project will provide 800,000 dekatherms per day of east-to-west transportation service for contracted shippers.

http://elibrary.ferc.gov/idmws/file_list.asp

Reuters, 6:14 July 10, 2015

Other News

Nothing to report.

International News

Update: Libya's Government Warns Tankers Away from Ras Lanuf Port

Libya's recognized government warned its security forces would seize any tankers approaching the Ras Lanuf terminal without permission, saying any attempt to make oil deals with the rival government in Tripoli would be "piracy." Earlier this week, the National Oil Corporation (NOC) based in Tripoli said it was lifting the force majeure measure on the Ras Lanuf oil terminal which had been shut since December because of fighting between the rival factions. The recognized government's NOC chairman told Reuters the force majeure was still in effect and orders had been given to the Petroleum Facilities Guard at Ras Lanuf.

Reuters, 15:09 July 9, 2015

Gulf Keystone Expects Shaikan, Iraq Oilfield Production to Hit 40,000 b/d Until Year End

Gulf Keystone said Thursday that it expects production at the Shaikan field, in the Kurdistan region of Iraq, to remain between 36,000 and 40,000 barrels of oil per day until the year end. The latest announcement follows a five week suspension of production operations at the end of the first quarter in 2015, which was caused by "adverse market conditions", according to Gulf Keystone. On average, the Shaikan field has produced 38,000 b/d for the past two months, and a new daily production record of 44,600 b/d was observed on June 21. Cumulative production from Shaikan has now surpassed 13 million barrels of oil.

http://www.rigzone.com/news/oil_gas/a/139530/Gulf_Keystone_Expects_Shaikan_Production_to_Hit_3640K_Bop_d_Until_Year_End#sthash.6VHY52bJ.dpuf

Eni Reports Deadly Explosion during Repair Work on Its Oil Pipeline in Nigeria

An explosion in an Eni pipeline in Nigeria killed at least 12 people and injured three others, the company said on Friday. The men were part of a maintenance crew, including security and environment officials, carrying out repairs on Thursday afternoon on the Tebidaba-Clough Creek line near the town of Azuzuama in the Niger delta's Bayelsa state. The state commissioner for the ministry of the environment said that the cause was still being investigated.
Reuters, 9:02 July 10, 2015

Energy Prices

U.S. Oil and Gas Prices			
July 10, 2015			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	52.69	57.74	102.99
NATURAL GAS Henry Hub \$/Million Btu	2.68	2.81	4.15

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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