



ENERGY ASSURANCE DAILY

Thursday Evening, September 03, 2015

Electricity

Update: Power Restoration Nearly Complete September 3 after Strong Storm, High Winds Hit Washington August 29

Restoration was nearly complete on Thursday in Washington after a strong storm with winds up to 70 mph knocked out power to 299,000 customers on Saturday. Snohomish PUD, which reported 175,000 customers without power, said this was the strongest summer storm ever to hit Western Washington and Snohomish County—and one of the biggest in PUD history. As of 3 p.m. EDT Thursday, 273 Puget Sound Energy (PSE) customers remained without power. Snohomish PUD on Thursday at 5 a.m. PDT reported approximately 150 customers remained without power.

<https://pse.com/accountsandservices/ServiceAlert/Pages/Outage-Map.aspx?WT.ac=Flyout-OutageMap>

<https://twitter.com/PSETalk>

<http://www.snopud.com/newsroom/StormUpdates.ashx?p=1180>

<https://twitter.com/snopud>

Update: TVA's 1,155 MW Browns Ferry Nuclear Unit 1 in Alabama Ramps Up to 91 Percent by September 3

On the morning of September 2 the unit was operating at 42 percent, ramped up from 38 percent on September 1.

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

Update: BHE Renewables' 310 MW Solar Unit 1 in California Returns to Service by September 2

The unit returned from an unplanned outage that began on September 1.

<http://content.aiso.com/unitstatus/data/unitstatus201509021515.html>

Desert Sunlight's 300 MW Solar Unit in California Shut by September 2

The unit entered an unplanned outage.

<http://content.aiso.com/unitstatus/data/unitstatus201509021515.html>

Mirant's 530 MW Pittsburg Gas-fired Unit 7 in California Reduced by September 2

The unit entered an unplanned curtailment of 130 MW.

<http://content.aiso.com/unitstatus/data/unitstatus201509021515.html>

NRC Increasing Oversight at Entergy's 688 MW Pilgrim Nuclear Power Plant in Massachusetts

The Nuclear Regulatory Commission (NRC) said Wednesday it was increasing its oversight of the Pilgrim nuclear power plant in the wake of an unplanned shutdown during a winter storm last January. The NRC said the inspections will examine the company's own evaluation of the problem and will study the company's review of whether the issue could have extended to other equipment or systems. The plant shut down automatically during a January 27 blizzard when an electric connection to the grid was interrupted. The plant was also taken offline during a subsequent snowstorm. The inspection team will review any corrective actions carried out by plant owners and will also evaluate what the NRC called the breadth and depth of the performance deficiencies, assess the company's evaluation of its safety culture, and independently perform a graded assessment of the plant's safety culture. The president of Entergy Wholesale Commodities said the company will consider what actions it needs to take to return Pilgrim to normal NRC oversight.

<http://www.dailyherald.com/article/20150902/business/309029795/>

http://www.entropy-nuclear.com/plant_information/pilgrim.aspx

Coast Guard Closes Part of Mississippi River after Boat Collision, Oil Discharge in Kentucky September 3

The Coast Guard said it closed part of the Mississippi River after oil was discharged after a collision between two tow boats near Paducah, Kentucky on Thursday. The river was closed from mile marker 938 to 922, with the exception of authorized vessels working on the incident, the Coast Guard said. The accident caused damage to at least one barge containing slurry oil, a heavy refining byproduct used to adjust viscosity, rupturing the cargo tank, and potentially spilling a maximum estimate of 250,000 gallons. A five-mile discoloration beginning at the site of the collision was reported, the Coast Guard said. The cause of the collision, which caused a queue of six up bound and nine down bound vessels, is under investigation.

<http://www.uscgnews.com/go/doc/4007/2592074/>

Reuters, 15:41 September 3, 2015

Update: Reformer at PES's 335,000 b/d Philadelphia, Pennsylvania Refinery Still Undergoing Repairs September 3 – Sources

Philadelphia Energy Solutions (PES) was still repairing a 45,000 b/d reformer in the Girard Point section of its Philadelphia, Pennsylvania refinery following a small fire on Tuesday, sources familiar with the plant's operations said on Thursday. The source initially anticipated that the unit would be restarted on Wednesday. The 200,000 b/d crude unit associated with the reformer is running at "mildly" reduced rates, the source said. The reformer problem comes just after the refinery had to shut down a 90,000 b/d fluid catalytic cracker unit over the weekend. That unit has since restarted.

Reuters, 9:28 September 3, 2015

CVR Reports Malfunction at Its 70,000 b/d Wynnewood, Oklahoma Refinery August 31

Reuters, 11:33 September 3, 2015

Phillips 66 Reports FCCU Regenerator Malfunction at Its 200,000 b/d Ponca City, Oklahoma Refinery August 28

Reuters, 11:40 September 3, 2015

Update: Shell Restarts VDU at Its 340,000 b/d Deer Park, Texas Refinery September 1, Reports Normal Operations September 2

Royal Dutch Shell restarted the 115,000 b/d vacuum distillation unit (VDU) on Tuesday and said operations were normal at its Deer Park, Texas refinery. The unit had been offline since the afternoon of August 24.

Reuters, 5:32 September 2, 2015

Reuters, 7:05 September 1, 2015

Flint Hills Reports Flare Gas Recovery Unit Shutdown at Its 293,000 b/d Corpus Christi, Texas Refinery September 2

Reuters, 10:31 September 3, 2015

Update: Chevron Says Production Resumes at Its 57,000 b/d Burnaby, Vancouver Refinery September 2 after Storm-Related Outage August 29

Chevron Corp on Wednesday said production resumed and process units were being brought back online as planned at its Burnaby oil refinery near Vancouver following an outage caused by a storm on Saturday. A company spokesperson said it anticipates a return to normal operation by week's end.

Reuters, 2:31 September 2, 2015

Tesoro Reports Unit Shut at Its 166,000 b/d Martinez, California Refinery September 1

Reuters, 12:16 September 3, 2015

U.S. Crude Oil Exports in July Reached 526,000 b/d – U.S. Census Bureau

U.S. crude oil exports reached 526,000 b/d in July compared with 431,000 b/d in June, foreign trade data from the U.S. Census Bureau showed on Thursday.

Reuters, 8:54 September 3, 2015

Targa Reports Fire at Its 265 MMcf/d Chico Gas Plant in Texas September 3

A fire broke out around 2 a.m. CDT Thursday morning at Targa's Chico gas plant about 55 miles northwest of Fort Worth, Texas. A plant spokesperson said two workers were at the plant when the fire started inside a building with three compressors. Firefighters from Chico, Bridgeport, Sand Flat, and Wise County all responded to the scene and planned to let the fire burn itself out before getting a closer inspection of the damage. About 10–15 homes within a one-mile radius were told to evacuate but most have since been allowed back. The company said it doesn't believe facility operations will be impacted for more than a few days and hopes to partially reopen as early as Thursday afternoon.

<http://dfw.cbslocal.com/2015/09/03/fire-breaks-out-at-gas-plant-in-wise-county/>

<http://www.wfaa.com/story/news/2015/09/03/fire-near-wise-co-natural-gas-plant-forces-evacuations/71630704/>

Regency Reports AGI Compressor Shut at Its 290 MMcf/d Waha Gas Plant in Texas September 2

Regency reported its Waha gas plant shut due to a third party provider power outage. The plant was restarted once power was restored. All systems were lined out and the acid gas injector was restarted once process conditions allowed.

<http://www2.tceq.texas.gov/oc/eer/index.cfm?fuseaction=main.getDetails&target=219721>

Phillips 66 Expects to Restart NGL Fractionator in Sweeny, Texas September 25 – Filing

Phillips 66 expects to start its 100,000 b/d natural gas liquids (NGL) fractionator in Sweeny, Texas by September 25, bringing online a key component of its planned liquids export terminal in nearby Freeport. The company on Wednesday filed an initial tariff for liquids shipments on pipelines in the Sweeny-Freeport area, which will deliver product including propane and butane from the fractionator to storage caverns along the Gulf coast. Delivery points include the major storage and fractionation hub at Mont Belvieu, Texas and Phillip 66's Freeport, Texas marine terminal which is expected to start exporting NGLs in 2016. The Freeport terminal will offer an additional outlet for the oversupplied domestic NGL market, with capacity to export 4.4 million barrels of propane and butane per month.

Reuters, 6:56 September 2, 2015

FERC Allows TransCanada to Reclassify 1.1 Bcf of Natural Gas in Storage September 2

TransCanada Corp said on Tuesday the U.S. Federal Energy Regulatory Commission (FERC) allowed it to reclassify some 1.1 Bcf of gas in storage as "working gas" which can be burned at any time for heating or electrical generation. Previously, the gas was classified as "base gas" supply, which must be left underground to maintain a certain level of operational pressure in a gas cavern. The reclassified gas was part of a 9 Bcf supply that TransCanada wanted to sell from its underground storage on the ANR Pipeline at Winfield and Loreed to realign its storage capacity. TransCanada said FERC approved the realignment plan last November. At that time, 1.1 Bcf of that was deemed base gas and the balance 7.9 Bcf working gas. FERC has since approved reclassification of all the gas to working gas, TransCanada said. TransCanada said it reached agreement last week with customers to sell all of the gas, the last of which will be sold in January.

http://www.downstreamtoday.com/news/article.aspx?a_id=48994

Enterprise Completes Second Segment of 300,000 b/d Aegis Ethane Pipeline from Texas to Louisiana September 2

Enterprise Products Partners L.P. on Wednesday announced that construction of the Beaumont, Texas to Lake Charles, Louisiana segment of the Aegis pipeline was complete and ready to deliver ethane to additional Gulf Coast petrochemical facilities. This new 48-mile segment, along with the in-service, 60-mile segment, provides reliable ethane supplies to petrochemical facilities between Mont Belvieu, Texas and Lake Charles, Louisiana. The final leg of the 270-mile Aegis system will extend the pipeline from Lake Charles to the Mississippi River and is expected to be completed by the end of 2015. Combined with Enterprise's existing South Texas system, Aegis will provide shippers with access to a 500-mile ethane header system between Corpus Christi, Texas and the Mississippi River in Louisiana. The Aegis pipeline is supported by customer commitments in excess of 300,000 b/d that ramp up over the next four years. The capacity of the pipeline can be expanded to approximately 400,000 b/d with additional pumps.

<http://phx.corporate-ir.net/phoenix.zhtml?c=80547&p=irol-newsArticle&id=2084787&highlight>

Western Gas Partners Announces Non-Binding Open Season for 600,000 Dth/d Delaware Basin Express Pipeline September 1

Western Gas Partners, LP on Tuesday announced that its wholly owned subsidiary, Delaware Basin Express, LLC (DBE), is holding a non-binding open season to identify interest in a new pipeline project serving portions of Reeves, Loving and Ward Counties, Texas. The pipeline will provide transportation service from the tailgate of the Ramsey gas processing plant, located in Northern Reeves County, Texas to the downstream intrastate pipelines located in the Waha area near Coynosa, Texas. Additional receipt connections may potentially be added at the tailgates of the MiVida gas processing plant and Bone Spring gas processing plant. The initial capacity of the pipeline will be approximately 600,000 Dth/d of residue gas to the Waha Hub area, and could be increased up to 1,600,000 Dth/d with the addition of compression. DBE expects that the pipeline will be in service by the fourth quarter of 2016. The non-binding open season ends on September 30.

<http://investors.westerngas.com/phoenix.zhtml?c=216318&p=irol-newsArticle&ID=2084077>

Pembina Pipeline Corporation Places \$650 Million of New Assets into Service

Pembina Pipeline Corporation on Wednesday announced that it placed approximately \$650 million of assets into service within its gas services and conventional pipeline business. At the beginning of September, Pembina's conventional pipeline business commissioned the high vapor pressure (HVP), or NGL, portion of its Peace and Northern Phase II pipeline expansion, and expects to have the pipeline fully commissioned by the end of 2015. The Phase II Expansion is expected to increase Peace and Northern systems' capacity by 108,000 b/d in aggregate. As a result of commissioning the Phase II Expansion, total capacity in Pembina's Conventional Pipeline business will increase by 15 percent to approximately 830,000 b/d. Pembina's Gas Services business also successfully commissioned 260 MMcf/d of new processing capacity and pipeline infrastructure in Alberta and Saskatchewan. In late August, Pembina commissioned its Saturn II facility, a 200 MMcf/d 'twin' of the company's existing Saturn I Facility. Additionally, Pembina placed into service the gathering pipeline associated with its 100 MMcf/d Resthaven Expansion project. This project consists of a 12-inch diameter 17-mile pipeline with capacity to deliver 100 MMcf/d that will connect a customer's condensate recovery plant into Pembina's Resthaven facility. In advance of the expected in-service of the Resthaven Expansion, this newly commissioned pipeline will be able to provide additional gas volumes for Pembina's existing Resthaven facility. Construction of the Resthaven Expansion is underway and is expected to be in-service by mid-2016.

<http://www.pembina.com/media-centre/news-releases/news-details/?nid=135292>

Destin Resumes Flows at Its Florida Gas Delivery Point in Mississippi September 3 after Repairs

Destin Pipeline Company said it completed repairs to one of its two meters at its Florida gas transmission delivery point in George County, Mississippi. The company said the constraint was lifted and flows to the station resumed full capacity of 700 million cubic feet. Flows were limited August 29 to 350 MMcf/d. The 225-mile Destin gas pipeline system can carry 1.2 Bcf/d from offshore Gulf of Mexico to the Pascagoula plant and then north to interconnections with six major interstate gas lines.

Reuters, 12:09 September 3, 2015

Reuters, 17:59 August 27, 2015

Other News

Nothing to report.

Northern Iraq's Oil Exports Down in August Due to Pipeline Disruption – Ministry of Natural Resources

Oil exports from northern Iraq fell by around 44,000 b/d in August to an average of 472,832 b/d due to disruption of the pipeline to Turkey, the Kurdistan region's ministry of natural resources said on Thursday. The pipeline was down for nine days in August, and has been repeatedly sabotaged since the end of July, when a ceasefire between Turkey and militants from the Kurdistan Workers' Party broke down. Exports to Turkey have steadily increased this year, but the Kurds began cutting allocations to Iraq's state oil marketing firm SOMO in June to increase their own independent crude sales. That has effectively undone a deal reached last November whereby the Kurds agreed to transfer an average of 550,000 b/d to SOMO in 2015 in exchange for the full reinstatement of budget payments from Baghdad. In August Kurdistan transferred just 50,935 b/d to SOMO, compared with 71,017 b/d the previous month. The pipeline's supply is sourced primarily from fields within the Kurdistan region, which accounted for 353,510 b/d in August. The remainder came from a disputed Kirkuk field operated by Iraq's state-run North Oil Company. Reuters, 11:38 September 3, 2015

Energy Prices

U.S. Oil and Gas Prices			
September 3, 2015			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	46.70	42.42	94.53
\$/Barrel			
NATURAL GAS			
Henry Hub	2.72	2.72	4.01
\$/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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