



ENERGY ASSURANCE DAILY

Friday Evening, September 30, 2016

Electricity

Equipment Failure Briefly Knocks Out Power to Nearly 17,000 Hydro-Quebec Customers September 30

Hydro-Quebec reported 16,576 customers were without power in Outremont and the Mile End on Friday morning due to an equipment failure. The majority of customers had their power restored around 8:00 a.m. EDT on Friday.
<http://poweroutages.hydroquebec.com/poweroutages/service-interruption-report/#bis>
<http://www.cbc.ca/news/canada/montreal/power-outages-hydro-quebec-1.3785392>

Update: FirstEnergy's 1,235 MW Perry Nuclear Unit 1 in Ohio Ramps Up to 89 Percent by September 30

On the morning of September 29 the unit was operating at 80 percent, reduced from full power on September 25.
<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2016/>

Petroleum

Update: Colonial Identifies Location of Leak on Its 1.37 Million b/d Line 1, Removing Impacted Pipeline Segment September 30

Colonial Pipeline on Friday said it was working with federal, state, and local agencies, in addition to local conservation organizations to continue with remediation efforts at the location of the 6,000–8,000 barrel leak that was discovered on its Line 1 in Shelby County, Alabama on September 9. In coordination with PHMSA, Colonial has identified the release location and is in the process of removing the impacted segment of pipe. Once removed, the pipe segment will be sent to an independent laboratory for analysis as part of the investigation in accordance with all regulatory requirements. Skimming operations at retention pond two, where all free product that reached the pond has been recovered, have ended and work to recover additional product from the shoreline is ongoing through the use of absorbent materials in and around retention pond two. Water quality monitoring also continues in conjunction with EPA, ADEM, and the Cahaba Riverkeeper. Line 1 continues to operate at normal capacity and is making normal deliveries to all locations following its restart on September 21. The Colonial pipeline system connects Gulf Coast refineries with markets across the southern and eastern United States through more than 5,500 miles of pipeline, delivering gasoline, diesel, jet fuel, and other refined products. Lines 1 and 2 run from Houston, Texas to Greensboro, North Carolina, supplying markets in Mississippi, Alabama, Tennessee, South Carolina, and North Carolina. Colonial's Lines 3 and 4 move fuels north from Greensboro to markets in Virginia, Maryland, Pennsylvania, and New Jersey before terminating in the New York Harbor area.
<https://helena.colonialresponse.com/>

PES Reports Unit Startup at Its 335,000 b/d Philadelphia, Pennsylvania Refinery September 28

Philadelphia Energy Solutions (PES) reported the 1733 cumene unit was restarted and put in circulation at the Girard Point section of its Philadelphia refinery on September 28, according to a filing with the state pollution regulator.
Reuters, 14:19 September 30, 2016

Chevron Reports No Impact to Operations at Its 269,000 b/d El Segundo, California Refinery September 29 after Process Unit Snag

Chevron Corp on Thursday said there was no impact to overall operations at its El Segundo refinery after it experienced some operational issues in one of its process units. Chevron says the incident led to flaring for a short period but the refinery was operating normally.

Reuters, 12:50 September 30, 2016

Update: Shell Reports Leak, Unit Shutdown at Its 156,400 b/d Martinez, California Refinery September 23, 30

Royal Dutch Shell said a leak, discovered on September 23 at its Martinez refinery, has been contained and operations were normal. A unit shutdown was also reported on September 30, according to a filing with the Contra Costa County Health Services. No flaring or off site consequences were reported, according to Shell.

Reuters, 18:15 September 29, 2016

Reuters, 16:06 September 30, 2016

U.S. Oil Rig Count Increases to 425 September 30 – Baker Hughes

Drillers added seven oil rigs in the week to September 30, bringing the total rig count up to 425, the most since February but still below the 614 rigs seen a year ago, energy services firm Baker Hughes said.

Reuters, 13:05 September 30, 2016

U.S. Crude Oil Output Falls 20,000 b/d in July to 8.69 Million b/d – EIA

U.S. crude oil production fell 20,000 b/d in July to 8.69 million b/d, according to data released Friday from the U.S. Energy Information Administration (EIA). Production from North Dakota rose 4,000 b/d in July, according to the EIA's monthly report. Meanwhile, Texas production fell 11,000 b/d and offshore Gulf production rose by 16,000 b/d.

Reuters, 15:15 September 30, 2016

Tundra Energy to Acquire Enbridge's South East Saskatchewan Pipeline System

Tundra Energy Marketing Limited (TEML) on Thursday announced an agreement pursuant to purchase the South East Saskatchewan pipeline system from an affiliate of Enbridge Income Fund. Closing of the transaction is expected to occur in late 2016, subject to various regulatory approvals. The SE Saskatchewan Pipeline System includes over 994 miles of crude oil and liquids gathering pipelines; approximately 340 miles of trunk line; and four truck terminals. The System currently transports approximately 175,000 b/d of crude oil to Enbridge's Mainline system at Cromer, Manitoba, where the main terminal of TEML's Manitoba crude oil gathering system and interconnection with Enbridge's Bakken Expansion Pipeline is also located.

<http://www.teml.com/files/5814/7518/5713/TEML-Press-Release-September-29-2016-FINAL.PDF>

Natural Gas

Sabine Pipeline Reduces Operational Availability at Henry Hub to 200 MMcf/d October 1

Sabine Pipeline reported that effective for gas day October 1, evening cycle, it will be accepting nominations for receipts at the LRC/Bridgeline /Henry Hub, DRN 287439 interconnect point but will be temporarily reducing operational availability at such interconnect to 200 MMcf/d.

<http://www.gasnom.com/ip/sabine/ipindex.cfm>

Marathon's 25,000 b/d Cornerstone Pipeline Ready to Start Canton Refinery Deliveries in Ohio September 29

Marathon Petroleum on Thursday said it completed and tested its 16-inch diameter, 42-mile long Cornerstone Pipeline, which will carry natural gas liquids from processing facilities in Scio to the company's 80,000 b/d Canton refinery. Marathon's commercial development manager on Thursday said the company had started filling the pipeline. By early October, the pipeline will be delivering up to 25,000 b/d of natural gas liquids to the refinery, to be used in the production of gasoline and diesel fuel. Officials said the pipeline won't increase production at the refinery but instead will replace most of the 130 trucks per day that are now used to deliver condensate and other oil and gas products to the refinery. The refinery takes in about 93,000 b/d of crude oil, condensate, and other oil and gas derivatives, the general manager said, and produces about 55,000 b/d of gasoline. The Cornerstone pipeline runs from Scio in Harrison County to East Sparta, near Canton. From there, a connector runs another 8 miles to the refinery.

<http://www.crainscleveland.com/article/20160930/NEWS/160939989/marathons-cornerstone-pipeline-ready-to-start-deliveries-to-canton>

NCUC Approves Duke Energy's Acquisition of Piedmont Natural Gas September 29

The North Carolina Utilities Commission (NCUC) on Thursday approved Duke Energy's acquisition of Piedmont Natural Gas, completing the final regulatory approval needed to close the transaction. Piedmont's 1 million natural gas customers in North Carolina, South Carolina, and Tennessee will be added to Duke Energy's existing customer base of 525,000 natural gas customers and 7.4 million electric customers. Piedmont will retain its name and operate as a business unit of Duke Energy. The transaction is expected to close on October 3.

<https://news.duke-energy.com/releases/n-c-utilities-commission-approves-duke-energy-s-acquisition-of-piedmont-natural-gas>

Other News

Nothing to report.

International News

Libya's Output Increases to 290,000 b/d, National Production over 450,000 b/d -- AGOCO

Libya's Arabian Gulf Oil Company (AGOCO) increased production to 290,000 b/d, its chairman said on Thursday, helping push national production up to between 450,000–490,000 b/d. AGOCO, a subsidiary of the National Oil Corporation (NOC) that operates in eastern Libya, has boosted its output from about 150,000 b/d since military commander Khalifa Haftar took control of some of the country's main oil terminals from a rival force on September 11–12. Following the takeover, the NOC opened three previously blockaded ports. On Thursday an official at one of the ports, Zueitina, said a tanker had entered to load 570,000 barrels of crude to take to Zawiya refinery in western Libya. Zueitina had been closed since late last year, while Ras Lanuf and Es Sider ports had been shut since 2014. The first tankers docked at Ras Lanuf last week, but Es Sider, badly damaged in fighting, needs repairs before exports can resume. Exports have continued at Brega, the fourth port now under Haftar's control. AGOCO's Chairman told Reuters that the company's production should reach 300,000 b/d in the coming days if there were no technical problems. The head of the NOC's measurement department said national production should rise to about 500,000 b/d by the end of the month.

http://www.rigzone.com/news/oil_gas/a/146849/Libya_AGOCO_ups_Output_to_290000_bpd_Natl_Production_Over_450000_bpd

Energy Prices

U.S. Oil and Gas Prices			
September 30, 2016			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	48.06	44.33	45.01
NATURAL GAS Henry Hub \$/Million Btu	2.95	3.14	2.53

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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