



ENERGY ASSURANCE DAILY

Tuesday Evening, October 28, 2014

Electricity

PPL's 1,105 MW Susquehanna Nuclear Unit 1 in Pennsylvania Reduced to 85 Percent by October 28

On the morning of October 27 the unit was operating at full power.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2014/>

Update: FirstEnergy's 1,235 MW Perry Nuclear Unit 1 in Ohio Ramps Up to 73 Percent by October 28

On the morning of October 27 the unit was operating at 54 percent after restarting and ramping up to 6 percent by October 26. The unit automatically shut October 20 on loss of feedwater.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2014/>

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2014/20141020en.html>

Update: Entergy's 966 MW River Bend Nuclear Unit 1 in Louisiana at Full Power by October 28

On the morning of October 27 the unit was operating at 84 percent after restarting and ramping up to 15 percent by October 25. The unit was shut from full power by October 17.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2014/>

Update: ARCO's 417 MW Watson Natural Gas-Fired Unit in California Returns to Service by October 27

The unit returned from an unplanned curtailment of 150 MW that began by October 25.

<http://content.aiso.com/unitstatus/data/unitstatus201410271515.html>

Petroleum

Marathon Reports Process Unit Upset at Its 123,000 b/d Detroit, Michigan Refinery October 35

Reuters, 7:44 October 28, 2014

Phillips 66 Reports Process Unit Upset at Its 336,000 b/d Wood River, Illinois Refinery October 25

Phillips 66 reported a process unit upset at its Wood River refinery in Illinois on Saturday, according to a filing with the Illinois Emergency Management Agency. The incident led to sulfur dioxide emissions, the filing said.

Reuters, 21:18 October 26, 2014

Delek Reports SRU Malfunction at Its 60,000 b/d Tyler, Texas Refinery October 25

Delek US Holdings Inc reported an operational issue with a sulfur recovery unit (SRU) at its Tyler, Texas, refinery over the weekend, according to a filing with the Texas Commission on Environmental Quality. The event, which began on Saturday, led to excess emissions from SRU 1, the filing said. Operational adjustments were being made to reduce the quantity of emissions and to restore normal operations, it added.

Reuters, 20:56 October 26, 2014

BP Reports Potential Upset at Its 225,000 b/d Cherry Point, Washington Refinery October 26

BP reported a potential upset at low pressure flare at its Cherry Point refinery on October 26, according to a filing with the Northwest Clean Air Agency.
Reuters, 13:52 October 27, 2014

Valero Reports Process Upset at Its 132,000 b/d Benicia, California Refinery October 24

Reuters, 7:49 October 28, 2014

Colonial Pipeline Co Resumes Normal Operations on Line 1 after Unplanned Maintenance October 27

Colonial Pipeline Co said line 1 (main gasoline line) returned to normal operations late Monday evening after unplanned maintenance. The line was shut down Monday afternoon after an onsite investigation, prompted by an internal inspection tool run.

Reuters, 8:44 October 28, 2014

Update: Sunoco's 280,000 b/d Mid-Valley Crude Oil Pipeline Restarts October 26 after 4,000 Barrel Oil Spill October 20

Sunoco said its Mid-Valley crude oil pipeline from Texas to Michigan resumed operations on Sunday after 4,000 barrels of oil spilled on October 20. Sunoco said all spilled oil should be recovered in a few days, but the process of restoring the area to how it was before the spill will take at least several months.

<http://www.cbs19.tv/story/27053112/flow-returns-to-mid-valley-pipeline-after-oil-spill>

Enbridge Asks PUC to Approve Plans to Replace Line 3 in Minnesota Due to Repeated Ruptures

Enbridge Energy said it wants to build a second major crude oil pipeline across northern Minnesota. The proposed pipeline would replace a 1960s-era line that has ruptured repeatedly. The company said it intends to replace the entire pipeline, known as Line 3, that carries Canadian oil from Alberta to a storage terminal in Superior, Wisconsin. The pipeline operates at reduced capacity because of long-standing concerns about its integrity. Enbridge asked the Minnesota Public Utilities Commission to approve its plans to contact landowners near the 338-mile-long corridor. Enbridge also asked Minnesota regulators to reconsider their recent order that stretches out by a year the review of its other crude oil pipeline project - the proposed Sandpiper line to carry North Dakota oil across Minnesota.

Reuters, 23:17 October 27, 2014

Atlantic Basin Refining to Buy 350,000 b/d Hovensa Refinery in Saint Croix – Virgin Islands Governor

Venezuela's PDVSA and Hess Corp have reached a tentative agreement to sell their Hovensa refinery to Atlantic Basin Refining, the U.S. Virgin Islands' governor said in a statement on Tuesday. The facility on the south shore of Saint Croix has been idle since 2012. A "detailed operating agreement" with the U.S. Virgin Islands requires Atlantic Basin Refining, which was formed specifically to acquire the shuttered facility, to rebuild and restart it, employ local personnel, and pay the government more than \$1.6 billion over the life of the deal. The operational agreement would be for 22 years, renewable for two additional 10-year terms. Owners of the refinery must take down Hovensa, which has been used as a terminal in recent years, and clean up the site if they do not restart the refinery or if they shut it down at any time in the future. Legislative approval is also required. An engineering analysis and a restart plan would probably take nine to 12 months, while construction and rehabilitation would take another 24 months and would cost more than \$1 billion, according to the statement.

Reuters, 10:47 October 28, 2014

<http://www.governordejongh.com/blog/2014/10/hovensa-restart>

North Dakota to Issue New Crude Oil Safety Standards in November

The North Dakota Industrial Commission plans to issue new rules for the treatment of crude oil on November 13, with regulators leaning away from requiring removal of volatile components at either the well site or a regional hub, so long as they are removed before transport, a state official said on Monday. The standards will help address safety concerns about the more than 1.1 million barrels of oil produced each day in North Dakota, especially after a string of deadly crude-by-rail accidents in the past year. Most North Dakota crude contains higher-than-average concentrations of ethane, propane, and other combustible NGLs. The Commission plans to issue the new standards at its November hearing and they likely will go into effect on January 1, the head of the state's Department of Mineral Resources said.

http://www.downstreamtoday.com/news/article.aspx?a_id=45016

Phillips 66 Becomes Joint Venture Partner with Energy Transfer to Build Bakken Crude Oil Pipelines from North Dakota to Midwest

Energy Transfer Equity, L.P. (ETE), Energy Transfer Partners, L.P. (ETP), and Phillips 66 announced that they have formed two joint ventures to develop the previously announced Dakota Access Pipeline (DAPL) and Energy Transfer Crude Oil Pipeline (ETCOP) projects. Energy Transfer holds a 75 percent interest in each joint venture and will operate both pipeline systems. Phillips 66 owns the remaining 25 percent interests and will fund its proportionate share of the construction costs. The DAPL and ETCOP projects are expected to begin commercial operations in the fourth quarter of 2016. Based on contractual commitments to date, DAPL is expected to deliver in excess of 450,000 b/d of crude oil from the Bakken/Three Forks production area in North Dakota to market centers in the Midwest. DAPL will provide shippers with access to Midwestern refineries, unit-train rail loading facilities to facilitate deliveries to East Coast refineries, and the Gulf Coast market through an interconnection in Patoka, Illinois, with ETCOP. ETCOP will provide crude oil transportation service from the Midwest to the Sunoco Logistics Partners and Phillips 66 storage terminals located in Nederland, Texas.

<http://investor.phillips66.com/investors/news/news-release-details/2014/Phillips-66-Becomes-Joint-Venture-Partner-with-Energy-Transfer-to-Build-Bakken-Crude-Oil-Pipelines/default.aspx>

Pioneer Natural Resources Reports Fire at Its Oil Rig in Texas October 24

Authorities are investigating after five workers were injured in a fire at the Pioneer Natural Resources-owned Eagle Ford shale oil rig in San Antonio October 24.

<http://www.ksat.com/content/pns/ksat/news/2014/10/24/5-injured-in-oil-field-fire-flown-to-sammc.html>

Natural Gas

Northern Border Pipeline Co Announces Open Season for Its 295 MMcf/d Bakken Header Supply Lateral Project in North Dakota

Northern Border Pipeline Company on Monday announced the commencement of a one-month, non-binding open season to gauge shipper interest in a pipeline project to transport natural gas from the Bakken area of North Dakota into its pipeline system. The proposed Bakken Header Supply Lateral Project will consist of approximately 64 miles of 16-inch diameter pipeline, compression and related facilities that would extend westward from near the outlet of Hess Corp's 200 MMcf/d Tioga processing plant in northwestern North Dakota to where it will provide access to additional processing facilities. At full capacity, the project will be capable of transporting up to 295 MMcf/d. The open season will close on November 26 and the expected in service date of the project is early to mid-2017.

<http://www.northernborder.com>

Piedmont Natural Gas Receives NCUC Approval for Atlantic Coast Pipeline Agreements

Piedmont Natural Gas on Monday received regulatory approval from the North Carolina Utilities Commission (NCUC) for its affiliate agreements with the Atlantic Coast Pipeline. The approval of the agreements represents a key step in the overall regulatory approval process. Ultimate approval for the natural gas pipeline project rests with the Federal Energy Regulatory Commission. The proposed natural gas pipeline would transport natural gas from the Marcellus shale production region in West Virginia, Ohio, and Pennsylvania, and deliver it through a 550-mile long natural gas pipeline constructed through parts of West Virginia, Virginia, and North Carolina. The pipeline is proposed to be in service by late 2018.

Reuters, 10:48 October 27, 2014

<http://www.prnewswire.com/news-releases/piedmont-natural-gas-receives-regulatory-approval-for-atlantic-coast-pipeline-agreements-833342519.html>

GNL Quebec Seeks License from NEB to Export 1.6 Bcf/d of Natural Gas

GNL Quebec Inc is applying for a liquefied natural gas export license from the National Energy Board, requesting permission to export nearly 1.6 Bcf/d. The gas would come from a proposed liquefaction plant in Saguenay, Quebec, about 130 miles north of Quebec City, according to regulatory documents. The Energie Saguenay project is the first proposed for Quebec and is backed by GNL Quebec, owned by Freestone Capital LLC and Breyer Capital LLC. GNL Quebec is planning to build a 404-mile long pipeline connecting with TransCanada Corp's main natural-gas conduit to supply the facility with gas from Western Canada. The project is the latest to apply for a Canadian LNG-export license. The National Energy Board has granted 11 licenses, mostly for projects planned for the British Columbia coast, while 14 other applications are under review. Despite the number of proposed projects, no projects are now under construction. GNL Quebec said in its filing that it expects to begin exports in 2020.

http://www.downstreamtoday.com/news/article.aspx?a_id=45012

Other News

NRC Investigating Leak at Honeywell's Metropolis, Illinois Uranium Plant

The Nuclear Regulatory Commission (NRC) was investigating a leak of uranium hexafluoride that occurred on Sunday at an Illinois plant operated by Honeywell International Inc. Honeywell confirmed the Sunday evening leak at its Metropolis, Illinois plant, saying it was due to an equipment failure. There were no injuries and no reason to believe anyone was endangered by the leak, according to Honeywell. An inspector from the Nuclear Regulatory Commission started an investigation at the plant on Tuesday, an NRC spokesman said. Honeywell's Metropolis plant is the only U.S. facility that converts uranium oxide into uranium hexafluoride, or UF₆, which is then enriched to be used as fuel in nuclear power plants.

Reuters, 11:32 October 28, 2014

International News

Iraqi Kurdistan Oil Pipeline to Increase Capacity to 700,000 b/d after Upgrade

Iraqi Kurdistan plans to increase the capacity of its oil pipeline via Turkey to 700,000 b/d following upgrade work, industry sources and officials said on October 27. It will raise the flow to 400,000 b/d by year-end, from a current 280,000 b/d, adding further pressure to falling world oil prices already hit by rising supply. The Kurdistan Regional Government's (KRG's) pipeline to the Turkish port of Ceyhan, first began operating at the start of this year, angering the central government in Baghdad which claims the sole authority to manage Iraqi oil. Baghdad, which claims the Kurdish oil shipments are illegal, has taken its refusal to allow Kurdish oil shipments to U.S. courts, blocking the discharge of one tanker off Texas earlier this year. KRG argues that its shipments are allowed under the Iraqi constitution.

<http://www.hurriyetdailynews.com/krg-oil-pipeline-capacity-to-double-after-upgrade-.aspx?pageID=238&nID=73525&NewsCatID=348>

Energy Prices

U.S. Oil and Gas Prices			
October 28, 2014			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S.	80.96	82.48	98.37
\$/Barrel			
NATURAL GAS			
Henry Hub	3.54	3.61	3.57
\$/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

Energy Assurance Daily provides a summary of public information concerning current energy issues. Published Monday through Friday to inform stakeholders of developments affecting energy systems, flows, and markets, it provides highlights of energy issues rather than a comprehensive coverage. *Energy Assurance Daily* is updated online Monday through Friday after 5:00 p.m. ET. For more information, visit the Infrastructure Security and Energy Restoration (ISER) website at:

<http://www.oe.netl.doe.gov/ead.aspx>

Please direct comments and questions to: ead@oe.netl.doe.gov