



ENERGY ASSURANCE DAILY

Wednesday Evening, November 05, 2014

Electricity

Update: More Than 20,000 Customers Remain Without Power in Maine November 5

Utilities in Maine continued to work to restore power to the more than 20,000 customers that remained without electricity, following an early winter storm Sunday night. As of 3:00 p.m. EDT, Emera Maine reported 13,068 customers remained without power, down from 57,977 at the storm's peak. It expects to have customers in Northern Penobscot and Piscataquis restored by the end of Wednesday, most customers in Penobscot County restored by the end of the day Thursday, and most customers in Hancock County restored by the end of the day Friday. Central Maine Power Co. (CMP) reported that it had restored service to more than 80 percent of customers who lost power during the storm, with 9,748 customers remaining without power. By Wednesday evening, CMP said it expects to reduce outages to fewer than 2,000 customers in the hardest hit areas. NB Power in New Brunswick has restored power to all customers affected by the storm.

<https://bangordailynews.com/2014/11/05/news/state/around-30000-mainers-remain-without-power-wednesday/>

<https://twitter.com/cmpco>

<http://www.cmpco.com/outages/outageinformation.html>

<http://www.cmpco.com/OurCompany/News/2014/news141103a.html>

http://apps.emeraine.com/about/outages/Outage_Map.cfm

<https://twitter.com/emeraeme>

https://twitter.com/NB_Power

NRG Energy Announces 360 MW Natural Gas Peaking Plant Near Houston, Texas

NRG Energy, Inc. announced Wednesday that it had started construction on a 360 MW natural gas-fired peaking plant in Bacliff, Texas, near Houston. The plant will use natural gas to power six GE 7E, economical, fast-start combustion turbines during times of peak demand. The facility is being constructed jointly by BTEC Turbines and Rockland Capital. It is anticipated to be finished in late 2015. NRG is also in the process of getting permits for two 850 MW natural gas-fired plants in the Houston area. The Texas Commission on Environmental Quality has granted a permit for one and is expected to grant the other in early 2015.

<http://investors.nrg.com/phoenix.zhtml?c=121544&p=irol-newsArticle&ID=1985924>

Pattern Energy Announces 300 MW Henvey Inlet Wind Project in Ontario

Pattern Energy Group, LP, said Wednesday that it has entered into a joint venture with Henvey Inlet First Nation to develop, own, and operate 150 MW of the 300 MW wind project in Parry Sound District, Ontario. Ontario Power Authority has a 20-year Power Purchase Agreement for 100 percent of its expected production. Construction on the project is expected to begin in 2016.

<http://patternenergy.com/en/media/releases/pattern-energy-increases-rofo-pipeline-largest-wind-project/>

Dominion's 815 MW Surry Nuclear Unit 2 in Virginia Reduced to 80 Percent by November 5

On the morning of November 4 the unit was operating at full power.

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

BHP Billiton Announces Plans to Export Lightly Processed Oil Without Seeking Explicit Permission From U.S. Government

BHP Billiton Ltd. said it will export lightly processed ultra-light oil without getting permission from the U.S. government first. This decision comes eight months after two other U.S. energy companies received the first formal authorization to sell domestic condensate abroad. According to BHP, its oil would also meet the legal criteria for export since it was being minimally processed in distillation towers in South Texas. According to a story in the *Wall Street Journal*, BHP has already contracted to sell 650,000 barrels to Switzerland-based Vitol. The United States recently eased its 40-year-old total ban on U.S. crude oil exports, in place since the Arab oil embargo of the 1970s, allowing energy companies to export a variety of ultra-light oil if it has been minimally refined. Reuters, 7:29 November 5, 2014

Delta Air Lines Reduced Throughput at Its 185,000 b/d Trainer, Pennsylvania Refinery in August and September Due to Inadequate Crude-by-Rail Service

In a letter to the U.S. Surface Transportation Board made public last week, Delta Air Lines said that its energy unit, Monroe Energy LLC, had to reduce throughput at its Trainer refinery in August and September due to a shortage of crude oil deliveries to its key supply points in the Philadelphia region of more than 1 million barrels. In the letter Monroe Energy expressed concern over the inability of the U.S. railroads, specifically BNSF, to provide adequate service needed to supply its refinery. The inability to reliably receive or rely on railroad service may jeopardize the future of East Coast refineries, the letter said.

Reuters, 16:02 October 30, 2014

BP Restarts Coking Unit at Its 413,500 b/d Whiting, Indiana Refinery November 5, After Overnight Shutdown

BP PLC restarted the 102,000 b/d coking unit at its refinery in Whiting, Indiana, Wednesday, after it shut down overnight. Operators were trying to determine the cause of the shutdown.

Reuters, 14:21 November 5, 2014

Motiva Reports Operational Upset at Its 600,250 b/d Port Arthur, Texas Refinery November 4

Motiva Enterprises, LLC, reported an operational upset on one of its units at its Port Arthur, Texas, refinery. It stated there were no injuries and did not provide any details about the refinery's status.

Reuters, 13:24 November 4, 2014

Phillips 66 Set to Overhaul FCCU at Its 238,000 b/d Linden, New Jersey Refinery in 2016 to Increase Diesel Production 25 Percent

Phillips 66 plans to overhaul the 150,000 b/d fluid catalytic cracking unit (FCCU) at its refinery in Linden, New Jersey, in 2016, as part of a broader goal to increase diesel production by as much as 25 percent. The overhaul will include construction of a new reactor for the FCCU and is expected to begin in the third quarter 2016.

Reuters, 12:33 November 5, 2014

CHS on Schedule to Complete Propane Rail Terminal in Hixton, Wisconsin, in Mid-November

CHS Inc. said it is set to complete work on a new propane rail terminal in Hixton, Wisconsin, on schedule in mid-November. The terminal, operated by Federation Cooperative of Black River Falls and to be served by the CN railroad, will initially have 360,000 gallons of storage, the ability to unload six railcars every 4 and 1/2 hours, and two truck loading bays capable of loading six trucks per hour. CHS' investment is part of a broader investment to develop a robust supply network for propane marketers in the Northern Tier region affected by the Cochin pipeline reversal.

<http://chsinc.mediaroom.com/2014-10-31-CHS-to-open-Wisconsin-propane-rail-terminal>

Enbridge Delays Start Date of 300,000 b/d Southern Access Pipeline Expansion in Illinois

Enbridge, Inc. said Wednesday, that its Southern Access Extension pipeline from Flanagan to Patoka, Illinois, is now expected to be in service in late 2015. In July, Marathon Petroleum Corp. said it expected the pipeline to be in service in mid-2015.

Reuters, 10:54 November 5, 2014

Update: NEB Requests Additional Information on Enbridge's Line 9B Reversal Project

Enbridge, Inc. told investors Wednesday, that its plan to reverse the flow of a pipeline running between southern Ontario and Montreal has been delayed because the National Energy Board of Canada (NEB) wants additional information on a condition of the project's approval involving the location of isolation valves in relation to water crossings. NEB approved the project in March subject to fulfillment of 30 conditions. The reversal of Line 9B, a 397-mile section of Line 9 from Westover, Ontario, to Montreal, represents the second and final phase of Enbridge's Eastern Canadian Refinery Access Initiative. The NEB approved the reversal of Line 9A, a 153-mile section between Sarnia, Ontario, and Westover on July 27, 2012. Enbridge completed the reversal in August 2013, and Line 9A is flowing from west to east providing crude to Ontario's Nanticoke refinery.

<http://www.edmontonjournal.com/business/Enbridge+Line+reversal+project+delayed+after+requests/10355216/story.html>

<http://www.enbridgepartners.com/WorkArea/downloadasset/17521/Revised-EEP-Transcript-Q3-2014.aspx>

TransCanada Increases Cost for Keystone XL Pipeline to \$8 Billion

As the regulatory process for the Keystone XL pipeline continues into the seventh year, TransCanada has raised the project's price tag from \$5.4 billion to \$8 billion. As of September 30, the company has spent \$2.4 billion on the project, which is in limbo as the Nebraska Supreme Court decides how the pipeline might cross the state. After that decision, the U.S. State Department still needs to accept or reject the proposal based on national interest. The Keystone XL pipeline would connect to an existing TransCanada pipeline network, enabling 830,000 b/d of crude, mostly from Alberta's oil sands, to be shipped to the U.S. Gulf Coast refining market.

Reuters, 3:07 November 5, 2014

Natural Gas

ONEOK Partners Announces Completion of 100 MMcf/d Garden Creek III Natural Gas Processing Facility in North Dakota

ONEOK Partners, L.P. on Wednesday, announced that its 100 MMcf/d Garden Creek III natural gas processing facility in the Williston Basin in North Dakota, was completed three months ahead of schedule. Williston Basin natural gas processing capacity now exceeds 600 MMcf/d.

Reuters, 11:29 November 5, 2014

Aux Sable Announces Expansion of NGL Fractionation Capacity by 24,500 b/d at its Channahon, Illinois, Gas Processing Plant

Aux Sable Liquid Products L.P. announced Wednesday, that it will increase the fractionation capacity at its facilities in Channahon, Illinois, by approximately 24,500 b/d, to a total of 131,500 b/d. The facilities are currently capable of processing 2.1 Bcf/d of natural gas and 107,000 b/d of natural gas liquid production. The expansion is expected to be in service in mid-2016.

<http://www.auxsable.com/top-navigation/news-room/newsroom-article/20/aux-sable-announces-us130-million-expansion>

Targa Reports AGC Shut at Its 150 MMcf/d Sand Hills Gas Plant in Texas November 4

Targa reported the acid gas compressor (AGC), C-14, was shut by its control panel due to a problem with the throttle linkage. This caused acid gas to be routed to the emergency acid gas flare, F-4. The throttle linkage was replaced, the AGC was restarted, and flaring at the emergency acid gas flare ceased.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=206052>

Southern Union Reports SRU Shut at Its Keystone Gas Plant in Texas November 4

Southern Union reported it had to flare acid gas because the sulfur recovery unit (SRU) was down due to packing seal out and leaking. Operators have started replacing the seal.

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=206042>

Other News

Nothing to report.

International News

Libya's 200,000 b/d El Sharara Oilfield Shut After Armed Group Seizes it November 5

Libya's El Sharara oilfield shut after an armed group seized it, an oil ministry official said Wednesday, closing around 200,000 b/d of output. Protesters have closed the field twice in the past 12 months to force authorities to accept their financial and political demands.

Reuters, 12:28 November 5, 2014

Update: Kazakhstan's Kashagan Oilfield's New Pipes Will Cost More Than \$3 Billion, Officials Say

A Kazakh official said Wednesday that the consortium repairing Kazakhstan's Kashagan Oilfield will have to spend more than \$3 billion to replace faulty pipes before output can resume in the second half of 2016. The cost is for pipes of a total length of 125 miles to replace the entire network of oil and gas pipelines. Production at the oilfield began in September 2013 but was halted in October after gas leaks in the field's pipeline network were detected.

Recoverable reserves at Kashagan are estimated at 9 billion to 13 billion barrels of oil.

Reuters, 8:27 November 5, 2014

Energy Prices

U.S. Oil and Gas Prices			
November 5, 2014			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	78.20	81.34	95.19
NATURAL GAS Henry Hub \$/Million Btu	3.66	3.52	3.37

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 a.m. & 1:00 p.m. ET every Wednesday.

Natural Gas Weekly Update from EIA

<http://www.eia.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 p.m. ET every Thursday.

ENERGY ASSURANCE DAILY

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

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