



ENERGY ASSURANCE DAILY

Thursday Evening, December 15, 2016

Major Developments

Enterprise Resumes Operations at Its 1.5 Bcf/d Pascagoula Natural Gas Processing Plant in Mississippi December 15 after Explosions June 27; Destin Pipeline Says Offshore Gas Transmission Service to Partially Resume December 17

Enterprise Products Partners on Thursday announced it completed the necessary repairs enabling operations to resume at its natural gas processing plant in Pascagoula, Mississippi. The Pascagoula facility was shut on June 27 after two explosions shut the plant, forced an offshore pipeline operator to declare a force majeure event, and resulted in temporary offshore production platform shut-ins while operators adjusted transportation arrangements. Destin Pipeline said it will offer limited transportation service to the Pascagoula plant from the Thunder Horse, Nakika, and Thunder Hawk production platforms beginning gas day December 17, however; its offshore transportation system will remain in a state of force majeure until operations at the plant return to normal. The 225-mile Destin gas pipeline system can carry 1.2 Bcf/d from offshore producers to the Pascagoula plant, and then further north to interconnections with six major interstate gas transmission lines. According to Enterprise, the Pascagoula plant is comprised of three processing trains with approximately 1.5 Bcf/d of capacity, which were averaging about 400 MMcf/d prior to the explosions.

Reuters, 11:20 December 15, 2016

<http://www.businesswire.com/news/home/20161215005822/en/>

<https://www.oe.netl.doe.gov/docs/eads/ead062816.pdf>

Electricity

Power Restoration Efforts Underway after Ice, Snow Storm Hits Oregon December 14–15, 2016

A winter storm producing a mix of rain, sleet, and ice knocked out power to at least 57,678 customers in western Oregon on Wednesday evening with effects lasting into Thursday. Utilities reported many of the outages were due to ice-laden trees and branches falling onto power lines. As of 3:30 p.m. EST Thursday, 19,609 customers remained without power. Pacific Power, the hardest hit utility with at least 38,254 customer outages, reported three of its substations were taken out by the storm. Eugene Water & Electric Board (EW&B), which reported at least 14,000 customer outages, was repairing eight feeder lines that were downed by the storm. Repairing the feeder lines would restore power to most customers, EW&B said. The utility said due to widespread damage throughout Eugene, customers should be prepared to be without electric service for three days or longer. Lane Electric, which reported at least 5,553 customer outage, said a tree fell into its Rainbow substation causing damage to sensitive equipment. The utility said power would be restored Friday, at the earliest. The table below shows total affected customers and the latest reported outages by utility. The “Affected” column shows the total count of customers that lost power at one point or another over the course of the storm for each utility. These outages may not have occurred concurrently and are not the same as peak outages.

Oregon Customer Power Outages December 14–15, 2016			
Electric Utility	State	Affected	Latest Reported
Pacific Power	OR	38,254	715
Eugene Water & Electric Board	OR	14,000	14,000
Lane Electric	OR	5,553	4,894

Sources:

<https://www.pacificpower.net/ed/po/ooi.html>

https://twitter.com/PacificPower_OR
<http://www.eweb.org/>
<https://twitter.com/EWEButility>
<https://www.facebook.com/EWEButility/>
<http://laneelectric.com/outages/map/>
<http://laneelectric.com/outage-alert/final-update-tonight-ice-storm-causing-outages-across-lec-service-area/>
http://www.nrtoday.com/news/local/major-outage-hits-douglas-county/article_993b0374-c290-11e6-a9c0-53713c75594f.html
<https://kobi5.com/news/wide-spread-power-outages-throughout-southern-oregon-42317/>

Entergy's 653 MW Pilgrim Nuclear Unit 1 in Massachusetts Reduced to 25 Percent by December 15

On the morning of December 14 the unit was operating at full power.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2016/>

Petroleum

Update: True Companies Recovers 1,250 Barrels from North Dakota Creek Following Crude Oil Spill from Its 24,000 b/d Belle Fourche Pipeline December 5

True Companies on Thursday said cleanup crews have recovered about 1,250 barrels of crude oil that spilled into the Ash Coulee Creek in North Dakota from its Belle Fourche Pipeline on December 5. Officials with the North Dakota Department of Health estimate a total of 4,200 barrels of crude leaked from the 6-inch pipeline, with about 3,100 entering the Ash Coulee Creek that feeds into the Little Missouri River. The remaining 1,100 barrels is trapped in the surrounding soil, according to the officials. A containment band has been set up in the Ash Coulee Creek to prevent contamination from entering the Little Missouri River and remediation crews are dealing with a "worse than normal wind chill factor," which requires a heavier emphasis on keeping workers safe and warm, a company spokesperson said.

Reuters, 15:11 December 15, 2016

https://health.nd.gov/media/1571/2016-12-05-oilspillbillingsco_final.pdf

Update: PES Advances Planned Maintenance at Its 335,000 b/d Philadelphia, Pennsylvania Refinery December 14 after Fire December 10 – Source

Sources familiar with operations at Philadelphia Energy Solutions' Philadelphia, Pennsylvania refinery said the company elected to move forward with a planned turnaround after a fire on December 10 damaged and shut the 44,000 b/d unifier unit and the 44,000 b/d reformer unit in the Point Breeze section of the refinery. The loss of both units will result in lower gasoline production, particularly premium grades, as well as production of hydrogen and steam byproducts used in other process units at the refinery. Sources said earlier in the week that PES was evaluating alternatives to restore the units in order to keep the turnaround scheduled for March 2017. The turnaround is focused on upgrades to hydrodesulfurization section of the refinery that strips sulfur and other impurities from gasoline, as well as boosts its octane content.

Reuters, 16:57 December 14, 2016

Update: Sun Canadian Says December 13 Smoke Incident in Ontario Due to Overheated Pump

Sun Canadian Pipe Line said a pump at a pump station in Sarnia, Ontario overheated and emitted smoke, prompting the company to shut its pipeline system out of an abundance of caution. The company said the system would resume operations once all safety checks were complete, and that the incident did not result in fire, injury, or loss of product. On Tuesday, the company had issued an all clear after Suncor and the Sarnia fire department responded to reports of smoke in a facility known as the Vidal Street control room, according to a community alert site.

Reuters, 17:34 December 14, 2016

Athabasca Oil Announces Acquisition of Statoil's Oilsands Assets in Alberta

Athabasca Oil Corporation on Wednesday announced it entered into agreements with Statoil ASA to acquire its northern Alberta oil sands assets for up to \$832 million. The agreement includes Statoil's six-year-old Leismer thermal oil sands project, which uses steam to produce 24,000 b/d of bitumen from wells, and its proposed Corner oil sands project, including the associated infrastructure. Athabasca said the deal will establish it as an intermediate growth company with a production base of about 40,000 b/d of oil equivalent when it closes early in 2017, https://www.atha.com/upload/press_release/141/844a0b446aa2/athabasca-oil-corporation-announces-transformational-acquisition-of-high-quality-thermal-oil-assets-from-statoil-asa.pdf
Reuters, 9:31 December 15, 2016

Natural Gas

FERC Approves Tennessee Gas Pipeline's Proposed 900 MMcf/d Southwest Louisiana Supply Natural Gas Pipeline Project in Louisiana December 15

Tennessee Gas Pipeline Co. (TGP) received approval from the Federal Energy Regulatory Commission (FERC) on Thursday to build its proposed Southwest Louisiana Supply natural gas pipeline project in Louisiana. The project will include the construction of a natural gas compressor station in Franklin Parish, modifications to an existing compressor station, a new pipeline lateral approximately 2.4 miles in length located in Madison Parish, and a new lateral approximately 1.4 miles in length located in in Richland Parish. The project will provide gas to Sempra Energy's Cameron liquefied natural gas export facility in Louisiana, which is expected to enter service in mid-2018. TGP is a unit of Kinder Morgan, which has said it expects the Southwest Louisiana Supply project to enter service around February 2018.
http://www.kindermorgan.com/pages/business/gas_pipelines/east/swlouisianasupply/default.aspx
Reuters, 11:49 December 15, 2016

Other News

Nothing to report.

International News

Pipeline from Libya's Sharara, El Feel Oilfields Reopens, Production Hampered December 15

A group of oil guards in Libya said on Thursday they had reopened a blockaded pipeline that gathers production from the 370,000 b/d Sharara and 58,000 b/d El Feel oilfields, but an oil worker said a separate group had prevented a production restart at El Feel. The agreement by a faction of the Petroleum Facilities Guard (PFG) in Rayana to reopen the pipeline after shutting it for more than two years has raised hopes of a major output boost from Sharara and El Feel, which together can produce more than 400,000 b/d. although the National Oil Corporation (NOC) has not confirmed any resumption of production at the fields. Libya's oil production has doubled to about 600,000 b/d since September, when the eastern based Libyan National Army (LNA) took control of several blockaded ports and allowed the NOC to reopen them. Before the 2011 uprising, Libya was producing 1.6 million b/d. The NOC has said it hopes to raise production to 900,000 b/d in the near future, and to 1.1 million b/d in 2017.
Reuters, 13:24 December 15, 2016

Energy Prices

U.S. Oil and Gas Prices			
December 15, 2016			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	50.85	50.79	37.27
NATURAL GAS Henry Hub \$/Million Btu	3.52	3.76	1.69

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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