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Flow Canada! New Pipelines Bring Alberta Crude To Gulf Coast

By Joseph Markman, Associate Editor

The Jones Creek facility near Freeport, Texas, is the destination of Enterprise Products Partners LP's newly completed Seaway Loop Pipeline, a 512-mile line that parallels its legacy line, allowing delivery of up to 850,000 barrels per day of western Canadian crude oil. It is fed at Cushing, Okla., by Enbridge Inc.'s newly completed Flanagan South Pipeline. ***Source: Hart Energy***

Completion of the pipeline system able to move large volumes of western Canadian crude oil from Alberta to the U.S. Gulf Coast—the one not named Keystone—was celebrated Jan. 16 at the Jones Creek terminal near Freeport with numerous salutes to international cooperation and competition in free markets.

“Make no mistake about it: Canadian crude is in the game now here on the Gulf Coast and we will compete for space against waterborne imports,” said Al Monaco, president and CEO of Calgary-based Enbridge Inc. “For refiners, it provides a desirable and secure source of feedstock for the expansion of heavy capacity that they have had to make. Bigger picture: Canadian crude in the Gulf means energy security for North America. And when supply and demand are connected with the lowest-cost transportation by pipelines, that can only mean one thing—it’s good for consumers.”

The system is a joint venture of Enbridge and Houston-based Enterprise Products Partners LP. It incorporates Enbridge’s new 593-mile, $2.8 billion Flanagan South Pipeline, with capacity of 600,000 barrels per day (bbl/d) from Illinois to the Cushing, Okla., hub, and Enterprise’s newly looped Seaway Pipeline, which moves up to 450,000 bbl/d crude from Cushing to the Jones Creek terminal on the Gulf Coast. The project more than doubles capacity of the Seaway system to about 850,000 bbl/d. The 65-mile lateral from Jones Creek to the ECHO terminal in Houston was completed in January, and the 100-mile lateral between ECHO and Beaumont/Port Arthur was completed last December.

Low oil prices will likely keep the new line at half-capacity for the near term, but did not appear to concern the partners, who emphasized the long-term nature of investments like these.

“These are very tough times for oil producers and margins are really thin,” Monaco acknowledged. “That’s exactly the time to make sure that you’re accessing the best markets and maximizing that price. Getting into the right markets is even more critical in this price environment.”

Jim Teague, executive vice president and COO of Enterprise, agreed.

“We’ve drained Cushing, and until it replenishes—and it looks like it’s in the process of doing that—Flanagan South is going to help the Pony Express [Pipeline],” he said. “We are close to fully subscribed, if not fully subscribed, and 10 years is a long time. I think before it’s all said and done that Canada’s going to produce a heck of a lot more crude, as are some of the basins here in the U.S. This whole North American continent is not going to be denied as far as natural resources are concerned.”

Marking the completion of the joint venture by Enbridge Inc. and Enterprise Products Partners LP to build the Flanagan South and Seaway Loop pipelines are, from left to right: Al Monaco, Enbridge president and CEO; Jim Teague, Enterprise executive vice president and COO; Greg Rickford, Canada's minister of natural resources; and Jim Prentice, premier of Alberta. ***Source: Hart Energy***

Even in this low price environment, the project was welcomed as a major step forward by Canadian government officials.

"This is not about a single pipeline, this is about completion of an important system which really moves Albertan crude from northern Alberta to the Gulf Coast, and in so doing, it allows us as Canadians to achieve access to the best markets," said Jim Prentice, premier of Alberta. "It allows us to achieve a marriage between Alberta crude oil production and access to the largest refinery complex anywhere in the world, and secondly, it allows us to achieve superior prices. We are already beginning to see the consequences of that in terms of Alberta's finances just from the imminence of the opening of this project."

Later, Prentice told Canadian journalists that the province faced a CA$7 billion (US$5.79 billion) shortfall in its 2015 budget as a result of oil prices dropping below $50/bbl. Alberta provides 25% of all oil imports to the U.S., ahead of Saudi Arabia's 17%, Prentice said.

Flanagan South is fed by an existing pipeline and neither of the new pipes crosses the U.S.-Canadian border, avoiding the need for federal approval, unlike Keystone XL. Nevertheless, the TransCanada Corp. project in limbo was not far from the minds of those in attendance. Prentice was on his way to Washington to argue in favor of Keystone's permitting and Greg Rickford, Canada's minister of natural resources, alluded to the situation during his remarks.

“Canada and the United States are already each other’s biggest energy customers to the tune of more than $140 billion last year alone,” he said. “Every day, our two countries count on 70 pipelines—we’d like to see that go to 71.”

How Did We Do?

By Paul Hart, Editor-In-Chief

Noted philosopher and baseball legend Yogi Berra once observed that “It’s tough to make predictions, especially about the future.” The year just ended proved particularly tough for midstream analysts as commodity price changes whip-sawed the sector.

Tudor Pickering Holt & Co. analysts Bradley Olsen and Jeff Schmidt paused to look back at their predictions as 2014 began, then took out the crystal ball to project trends for 2015.

A year-earlier projection that the key Alerian MLP Index would level off proved true. However, “for most of the year we were dead wrong,” they noted, with the index up 19% through the first three quarters. “But falling oil prices were the ‘black swan’ event that led to a 5% return for the year.”

Other 2014 projections included a restructuring trend for midstream large caps.

“In July, we laid out a specific case for Kinder Morgan to restructure and what that deal would look like and saw a deal announced by August,” the midstream report noted. Kinder Morgan made the biggest midstream deal of the year as the parent absorbed its MLP units into the parent corporation.

A miss included plans announced for new pipeline capacity out of Appalachia’s Marcellus and Utica plays to the Mid-Atlantic states. “Our Marcellus report highlighted the constraints and possible outlets for gas production, but we did not anticipate 5 Bcf/d (billion cubic feet per day) capacity announced to the Southeast, as we view it as less economically driven, to be rolled into utility rate bases."

Other misses were new pipeline capacity into the Wattenberg play, "just in time for a crude collapse," the report noted. Another was the wave of MLP IPOs as big energy players such as Shell, Dominion and Rice Energy rolled out public offerings for new midstream partnerships.

Overall, 2014 was "a tale of two markets" for midstream—quarters one through three and the fourth quarter, the report noted.

Turning around and looking ahead, the Tudor analysts made projections for this year:

Marginal Alerian index performance, "expecting single-digit total returns again;"

A slower pace of organic project announcements;

Crude-by-rail transport will be "increasingly relegated to marginal supplier of takeaway capacity;"

NGL production growth will pull back as the number of active rigs takes a "massive cut, but absolute production still rising."

Overall, thanks to crude oil's 50% price drop in 2014's second half, the "underlying growth outlook for production, and consequently midstream infrastructure, has declined dramatically" as the new year begins. The analysts say already contracted projects will move ahead, "however new project announcements will be few and far between in 2015."

Domestic gas liquids "have been smacked" but things will improve this year, the report projected.

"It's hard to imagine price getting better in today's bloodbath, but NGL export capacity will increase 3x on the Gulf Coast" between third-quarter 2014 and first-quarter 2016, it noted. "This combines with reduced production growth as liquids-rich basins drop rigs. As a result, we see U.S. [NGL] prices moving up vs. WTI [West Texas Intermediate]…"

Tanker Buoyancy May Help Lift Crude Market

By Caryn Livingston, Assistant Editor

When it comes to looking past the short-term crude oil price dip, some oil traders are seizing the opportunity to turn a profit by hiring supertankers to serve as temporary storage until prices rebound.

Freight brokers and shipping sources told *Reuters* that trading firms Trafigura Beheer BV and The Vitol Group, along with Royal Dutch Shell Plc, booked crude tankers for up to 12 months. This sort of long-term booking activity is unusual, which suggests that the firms are using the vessels for storage rather than immediate delivery.

The fixture list obtained by *Reuters* showed that Vitol booked mega-ship *TI Oceania*, an Ultra Large Crude Carrier with 3 million barrels (3 MMbbl) of crude capacity as well as the 2 MMbbl *Maran Corona* Very Large Crude Carrier (VLCC). Swiss-based Trafigura hired at least one VLCC, the *Nave Synergy*, while Shell booked the *Xin Run Yang* and *Xin Tong Yang* VLCCs.

Booking rates for VLCCs generally don't come cheap—*Bloomberg* reported that tankers shipping the benchmark route, bringing Middle East oil to Japan, earned $83,853 a day on Jan. 13. However, this strategy still makes sense given that the market is currently in contango, with prices for deliveries in the future well above expected future spot prices. It also seems traders are getting a great deal on these bookings, under $40,000 a day, by agreeing to take older, less fuel-efficient carriers under long-term contracts, according to *Reuters*.

While this is a smart financial move for the commodities traders, it has also been a boon for supertanker owners. Morgan Stanley raised its average 2015 rate forecast for VLCCs to $45,000 a day on Jan. 12, a $10,000 increase from the previous estimate, citing potential demand for floating storage.

“This is going to tighten the market and make the entire market move higher,” Fotis Giannakoulis, an analyst at Morgan Stanley in New York, told *Bloomberg*. “If contango keeps deepening it wouldn’t be a surprise” for the biggest tankers to earn more than $100,000 a day, he said, although for the rate to get that high “a very steep contango” would be necessary.

The tanker booking rate hasn’t been above $100,000 a day since July 30, 2008, *Bloomberg* reported. An increase to that level during 2015 would likely only be temporary because the contango “cannot” stay high enough to drive up storage for “too long,” Giannakoulis said.

Even with that likely price ceiling in mind, it’s all good news for owners of VLCCs. Frontline Ltd., Nippon Yusen Kaisha and Dynacom Tankers Management Ltd., which control a combined 11% of the fleet, indicated that orders for storage tankers have been multiplying, and Morgan Stanley and investment banking advisory firm Evercore Partners Inc. told *Bloomberg* they expect the highest shipping rates since 2009, when about 5.5% of the global fleet was used for crude storage. Giannakoulis said the maximum amount of its capacity the fleet can use for storage is about 10%, or 215 MMbbl. With *Reuters* reporting that current bookings for floating storage have only reached between 12 MMbbl and 15 MMbbl, there’s still a lot of room for the tanker storage market to grow in 2015.

Analysts at Vienna-based JBC Energy said in a recent note that the increase in storage may also lead to some relief for the crude market during the coming weeks, *Reuters* reported.

“This will not only release some pressure on front-end prices, but also allow for the physical market to clear somewhat,” the note said. “The physical market could also turn temporarily supportive over the coming months thanks to the balancing effect of floating storage.”

T. Boone Tweets: Answers Burning Questions On Oil Prices

By Darren Barbee, Hart Energy

Legendary oilman T. Boone Pickens took questions from his legions of Twitter followers Jan. 13, sharing his thoughts about the commodities market, OPEC and, of course, his beloved Oklahoma State University.

For the record, he's pulling for OSU Coach Mike Gundy.

Pickens had much to say about oil prices, E&P acquisitions and divestitures and, rather sharply, the Keystone XL pipeline: "Enough already. Approve it. Let's make it a shovel ready project. Let's be for something on energy and not against it."

Pickens said the M&A market would be robust this year because of low commodity prices. He also said that rig counts are going to be a clue to when the market bottoms out.

"We'll probably go down by 500-600" rigs, he said.

Selected Boone tweets in response to #AskBoone.

Do you feel that falling gas prices are a good thing or a bad thing?

T. Boone Pickens @boonepickens · 15s

.@cbent_12 There's no question it's good for the economy. It's not good for the oil and gas industry.

I think what OPEC is doing with cheap oil is energy terrorism. What are your thoughts?

T. Boone Pickens @boonepickens · 7s

.@garyg568 I'm no fan of #OPEC, but this situation is outside of their control. Oil market oversupplied by the United States.

Will U.S. energy production hold out or will it cave to OPEC during this steep downturn in oil?

T. Boone Pickens @boonepickens · 27s

.@SirThatcher Watch the rig count. They are falling already. Down 180+ and counting. Will probably go down by 500-600.

How do you see the M&A market shaping up in 2015 and why?

T. Boone Pickens @boonepickens · now

It will definitely heat up. RT @DarrenBarbee:

I'm fascinated by wind energy. What is holding it back in the U.S.?

T. Boone Pickens @boonepickens · 3m

.@goodsportpam Cheap #natgas

Might the fall in oil prices knock out the shale business long enough for renewable energy to compete more effectively?

Would Russian President Vladimir Putin be relevant if the EPA could have approved LNG import terminals to export in years versus decades**?**

Frac Spread: Ethane's Positive Marks

By Frank Nieto, Senior Editor

For the first time in more than a year ethane can claim a positive margin at both Mont Belvieu and Conway. Granted, these positive margins are quite slim and once transportation fees are calculated, they are no longer positive, but it is a great sign for the market. This is especially true when you consider that there is still a great deal of storage to work off, which bodes very well for ethane's long-term outlook when supplies tighten.

The improvement in crude oil prices helped support NGL values, but ethane prices held firm while other product prices plummeted. Since ethane makes up the bulk of the NGL barrel and is expected to post gains beginning later in the first quarter with cracking capacity at its peak level, it is a positive sign for NGL producers.

The price of ethane rose 14% to 19 cents per gallon (gal) at Conway. This was its highest price since it was 21 cents/gal the week of Nov. 12, 2014. The Mont Belvieu price improved 6% to 20 cents/gal, its highest price since it was 22 cents/gal the week of Nov. 12.

Heavy NGL prices posted the largest gains of any NGL thanks to their close relationship to crude as well as increased demand for gasoline. The gains posted by isobutane and butane were also a price correction as gasoline blending demand is ostensibly at its highest level in the winter.

Butane posted a 25% gain at Conway and a 13% gain at Mont Belvieu while isobutane rose 21% at Conway and 14% at Mont Belvieu. By comparison, C_{5+} prices were muted as they posted a 3% gain at Mont Belvieu and a 1% gain at Conway.

While these gains are a positive turn compared to the previous nine weeks when prices lost so much value, there is still a great deal of room for improvement when you compare current prices to the level they had last year at the same time. During this time heavy NGL prices lost more than 50% in value. With refinery turnarounds looming in February and March, crude prices could continue to stumble through the rest of this quarter.

Propane prices are the most likely NGL to have to wait for a turnaround despite sizable heating demand coming from the Northeast and Midwest. The main issue for propane has been a storage overhang and a weakening LPG export market as export arbs are negligible, though this could be improving. A sustained rally for LGP exports would go a long way towards balancing the propane market, though it is unlikely we'll be experiencing the highs of last winter anytime soon.

Frac spread margins were also supported by a downturn in natural gas prices, which fell 9% in value at both hubs. This was despite the large storage withdrawal figures the last two weeks and the arrival of colder temperatures in much of the country. Prices at both hubs were below $3 per million Btu, partially due to new pipelines that bring increased production from the Marcellus and Utica shales to market.

"Cold temperatures have kept natural gas prices from falling further and freeze offs will also curb some output nationwide, but rapid production from newly connected pipelines is keeping growth rates robust. Since October, the start of 2.5 billion cubic feet (Bcf) per day of new Northeast pipelines in the Marcellus and the Utica formations has raised output and is mitigating the demand impact of the second harsh cold spell of the season," Barclays Capital said in a Jan. 12 research note. It is unlikely that gas prices will fall much further, but their growth rate is capped by this production coming into the market.

The theoretical NGL barrel (bbl) price rose 12% at Conway to $21.85/bbl with a 38% gain in margin to $11.88/bbl while the Mont Belvieu price increased 7% to $20.93/bbl with a 28% gain in margin to $10.59/bbl.

The most profitable NGL to make at both hubs remained C_{5+} at 67 cents/gal at Conway and 64 cents/gal at Mont Belvieu. This was followed, in order, by isobutane at 60 cents/gal at Conway and 45 cents/gal at Mont Belvieu; butane at 54 cents/gal at Conway and 43 cents/gal at Mont Belvieu; propane at 21 cents/gal at both hubs; and ethane at 1 cent/gal at both hubs.

The U.S. Energy Information Administration reported that natural gas storage levels decreased by 216 Bcf to 2.637 trillion cubic feet (Tcf) the week of Jan. 16, down from 2.853 Tcf the previous week. This was 8% higher than the 2.438 Tcf posted last year at the same time and 6% below the five-year average of 2.79 Tcf.

NGL PRICES						
Mont Belvieu	Eth	Pro	Norm	Iso	Pen+	NGL Bbl
Jan. 14 - 20, '15	20.04	47.13	71.95	73.45	95.68	**$20.93**
Jan. 7 - 13, '15	18.94	45.08	63.54	64.68	92.58	**$19.63**
Dec. 31, '14 - Jan. 6, '15	17.95	46.15	63.08	64.00	93.00	**$19.59**
Dec. 24 - 30, '14	18.16	51.50	68.25	69.68	105.48	**$21.53**
December '14	17.25	55.54	72.72	74.08	116.89	**$23.00**
November '14	23.50	88.90	111.20	112.90	164.60	**$34.22**
4th Qtr '14	20.22	76.90	96.73	98.28	149.25	**$30.10**
3rd Qtr '14	23.19	103.92	123.69	128.39	212.20	**$40.27**
2nd Qtr '14	29.26	106.55	124.12	130.23	222.81	**$42.31**
1st Qtr '14	34.50	129.51	137.62	141.49	212.60	**$46.16**
Jan. 15 - 21, '14	34.83	136.43	148.88	152.58	207.95	**$47.60**
Conway, Group 140	Eth	Pro	Norm	Iso	Pen+	NGL Bbl
Jan. 14 - 20, '15	19.38	45.65	82.63	87.50	96.75	**$21.85**
Jan. 7 - 13, '15	17.03	40.70	66.36	72.32	95.48	**$19.53**
Dec. 31, '14 - Jan. 6, '15	16.50	39.35	65.28	69.38	93.68	**$19.03**
Dec. 24 - 30, '14	18.25	46.15	79.40	81.73	106.73	**$22.08**
December '14	16.52	53.04	83.35	86.00	117.65	**$23.68**
November '14	20.00	95.80	113.00	129.00	156.50	**$34.68**
4th Qtr '14	18.69	78.64	102.72	113.19	146.37	**$30.77**
3rd Qtr '14	20.38	104.99	123.51	140.07	207.90	**$40.18**
2nd Qtr '14	26.26	105.44	121.26	163.00	221.62	**$42.62**
1st Qtr '14	25.46	169.48	132.08	147.10	216.86	**$49.93**
Jan. 15 - 21, '14	19.50	183.43	144.88	154.85	210.25	**$51.04**

CURRENT FRAC SPREAD (CENTS/GAL)				
January 23, 2015	**Conway**	**Change from Start of Week**	**Mont Belvieu**	**Last Week**
Ethane	19.38		20.04	
Shrink	18.10		18.76	
Margin	1.28	145.82%	1.28	176.05%
Propane	45.65		47.13	
Shrink	25.01		25.92	
Margin	20.64	55.08%	21.21	27.81%
Normal Butane	82.63		71.95	
Shrink	28.31		29.35	
Margin	54.32	53.65%	42.60	36.16%
Isobutane	87.50		73.45	
Shrink	27.19		28.19	
Margin	60.31	41.77%	45.26	34.29%
Pentane+	96.75		95.68	
Shrink	30.28		31.38	
Margin	66.47	6.66%	64.30	10.68%
NGL $/Bbl	21.85	11.86%	20.93	6.61%
Shrink	9.97		10.34	
Margin	11.88	37.95%	10.59	28.08%
Gas ($/mmBtu)	2.73	-8.70%	2.83	-9.00%
Gross Bbl Margin (in cents/gal)	26.36	40.80%	23.98	29.18%
NGL Value in $/mmBtu (Basket Value)				
Ethane	1.07	13.80%	1.10	5.81%
Propane	1.58	12.16%	1.64	4.55%
Normal Butane	0.89	24.52%	0.78	13.24%
Isobutane	0.54	20.99%	0.46	13.56%
Pentane+	1.25	1.33%	1.23	3.35%
Total Barrel Value in $/mmbtu	5.34	12.38%	5.21	6.48%
Margin	2.61	48.21%	2.38	33.54%

Price, Shrink of 42-gal NGL barrel based on following: Ethane, 36.5%; Propane, 31.8%; Normal Butane, 11.2%; Isobutane, 6.2%; Pentane+, 14.3%, Fuel, frac, transport costs not included. Conway gas based on NGPL Midcontinent zone, Mont Belvieu based on Houston Ship Channel.

RESIN PRICES – MARKET UPDATE – JANUARY 23, 2015					
TOTAL OFFERS: 25,387,124 lbs		SPOT		CONTRACT	
Resin	Total lbs	Low	High	Bid	Offer
HDPE - Blow Mold	5,783,292	0.585	0.695	0.56	0.6
LLDPE - Film	4,297,520	0.675	0.775	0.62	0.66
HDPE - Inj	3,659,636	0.56	0.77	0.61	0.65
PP Homopolymer - Inj	3,305,772	0.65	0.76	0.62	0.66
LDPE - Film	2,923,704	0.675	0.785	0.61	0.65
HMWPE - Film	2,072,324	0.635	0.755	0.6	0.64
PP Copolymer - Inj	1,986,392	0.62	0.79	0.63	0.67
LDPE - Inj	829,380	0.705	0.735	0.66	0.7
LLDPE - Inj	529,104	0.735	0.785	0.64	0.68

Source: Plastics Exchange – www.theplasticsexchange.com

Kinder Morgan To Buy Hiland Partners

Bloomberg

Kinder Morgan Inc. will buy Hiland Partners LP from its founder, Harold Hamm, and certain Hamm family trusts for a total purchase price of about $3 billion, including the assumption of debt, *Bloomberg* said Jan. 21.

Kinder Morgan announced the acquisition in the Bakken Shale in a statement that day.

Billionaire Richard Kinder united his empire into a single company worth $89 billion to streamline operations that dominate shipping of U.S. natural gas everywhere from the Eagle Ford to the Marcellus shales. The company controls 80,000 miles (129,000 kilometers) of conduits and 180 terminals, transporting about a third of U.S. gas.

Spectra Energy Acquires Brazoria Interconnector Gas Pipeline

Spectra Energy Corp. and Spectra Energy Partners will acquire, through their affiliate Spectra Energy Transmission II LLC, 100% of the equity interests in Brazoria Interconnector Gas Pipeline LLC (BIG). BIG owns the 42-inch BIG natural gas pipeline in Brazoria County, Texas. The pipeline has a capacity of about 1.8 billion cubic feet per day and extends 30.5 miles from Stratton Ridge at its southern end to a location near Iowa Colony in northern Brazoria County.

The BIG Pipeline will be a component of Spectra's Stratton Ridge project, which is an expansion of the Texas Eastern Transmission pipeline system to deliver up to 400,000 dekatherms of natural gas per day to Stratton Ridge, Texas. The project, including the BIG Pipeline acquisition, has an expected capital expenditure of about $200 million. The acquisition is expected to close in second-quarter 2016, subject to certain conditions, and the project is scheduled to enter service in first-quarter 2019.

Cheniere, EIG Finalize Corpus Christi Liquefaction $1.5 Billion Equity Investment

Cheniere Energy Inc. entered into a note purchase agreement with EIG Management Co. LLC. The agreement finalized the definitive documentation for the previously announced financing under which investment funds EIG manages will purchase $1.5 billion of convertible notes. Proceeds will be used as equity to fund a portion of the costs of developing, constructing and placing into service Cheniere's Corpus Christi Liquefaction Project. The project is being designed for up to three liquefaction trains with an expected total annual production capacity of about 13.5 million tonnes per annum. The financing will close when Cheniere reaches a positive final investment decision (FID) on the liquefaction project, which is expected in the first half of 2015.

All financing commitments have been obtained for the project, including some of the proceeds from $1 billion of convertible notes Cheniere issued in November 2014 and the recently announced $11.5 billion of debt commitments received from several financial institutions in December 2014.

Commencement of construction is subject to receipt of regulatory approvals, entering into sufficient long-term customer contracts to underpin the project's financing, finalizing financing, and a positive FID from Cheniere. Construction is expected to begin during the first half of 2015.

Global Partners Acquires Boston Harbor Terminal

Global Partners LP acquired a terminal in Boston Harbor from privately held affiliated company Global Petroleum Corp. for a total consideration of $23.65 million, subject to customary post-closing adjustments. Global Petroleum leased the facility to the partnership for years before the transaction. It has storage capacity of 2.1 million barrels of refined petroleum products, including heating oil, gasoline, distillates, diesel, kerosene and blendstocks. Global Partners will finance the transaction with available capacity under its revolving credit facility.

In a statement, Global Partners COO Mark Romaine said, “The terminal enables us to continue to serve our marketing and throughput volumes in the region. We expect this transaction to be accretive in the first full year of operations.”

The terms of the transaction were unanimously approved by Global GP LLC’s board of directors, based on the unanimous approval and recommendation of the board’s conflicts committee, which is made up of independent directors.

Enterprise To Move Forward With Panola Pipeline Expansion

Enterprise Products Partners LP announced that shipper commitments received during a recent binding open season were sufficient to support its proposed expansion of the Panola Pipeline Co. LLC NGL system. The system will run 181 miles from near Carthage, Texas, to Mont Belvieu, Texas, where it serves multiple destination points, including facilities owned and operated by Enterprise.

As part of the expansion, Enterprise expects to install 60 miles of new pipeline, pumps and other related equipment to increase system capacity by 50,000 barrels per day. The incremental capacity is expected to be available in first-quarter 2016.

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