

From: Taylor, Richele
To: Schimsa, Rebecca <RebeccaSchimsa@gov.sc.gov>
Date: 9/19/2016 9:27:18 PM
Subject: FW: Update from DOE

Are you reaching out to Rick Reames? Or do you want me to? I found a good Florida booklet on this I will forward to you...R

From: Schimsa, Rebecca
Sent: Monday, September 19, 2016 7:10 PM
To: Patel, Swati
Cc: Taylor, Richele
Subject: Fwd: Update from DOE

This is a great summary. I can add some additional SC specific information to it for the comprehensive backgrounder you requested.

Begin forwarded message:

From: "Scott, Dukes" <Dukes.Scott@regstaff.sc.gov>
Date: September 19, 2016 at 6:45:19 PM EDT
To: "Schimsa, Rebecca" <RebeccaSchimsa@gov.sc.gov>, Kim Stenson <Kstenson@emd.sc.gov>
Subject: Fwd: Update from DOE

Below is DOE's summary of the 2:00pm call today. Dukes

Sent from my iPhone

Begin forwarded message:

From: "Allen, Tom" <tallen@regstaff.sc.gov>
Date: September 19, 2016 at 6:28:35 PM EDT
To: "Scott, Dukes" <Dukes.Scott@regstaff.sc.gov>
Cc: "Hipp, Dawn" <dhipp@regstaff.sc.gov>, "McGill, Thomas" <tmcgill@regstaff.sc.gov>
Subject: Update from DOE

KEY DOE UPDATES

All efforts at the incident site near Helena, Alabama have been directed towards construction of a 500-700 foot, 36-inch bypass segment. Startup of Line 1 through the bypass segment is not subject to the PHMSA Corrective Action Order, which calls for additional integrity testing of the damaged section. Colonial does not expect any flow rate reductions through the bypass segment, and once this bypass is installed the pipeline will be restored normal volume. Colonial's projection for restarting Line 1 operations remains this week.

Colonial reported that supplemental supplies of gasoline had been delivered Monday, or were in route to delivery terminals in Alabama, Georgia, Tennessee, South Carolina, and North Carolina by using a segment of the distillate line (Line 2). Currently, major

airports on the East Coast are not reporting any major shortages of jet fuel. Colonial is assessing distillate and jet fuel storage availability concerns at Northeast delivery locations on Lines 3 and 4, which are currently shipping distillate and jet fuel only. Colonial is in contact with Airlines for America (A4A) regarding high level logistics coordination with the Colonial Pipeline System. (A4A is an industry trade group representing major airline operators.)

During today's call with State Energy Emergency Assurance Coordinators (EEACs), multiple states in the Southeast reported rolling gasoline shortages at fuel stations and heightened local media attention. However, EEACs appeared to have good coordination with their petroleum associations and highlighted workarounds, such as trucking in fuel from neighboring states. No issues with interstate trucking have been reported and fuel tanker-truck drivers (known as "jobbers") are able to transit states unimpeded to deliver fuel. States continue to request state-level inventory data to inform planning and possible implementation of fuel allocation control measures. OE/ISER is working with EIA to provide appropriate aggregate data to meet this request.

On Saturday, September 17, OE/ISER began coordinating access for industry drivers into secure ports with the Petroleum Marketers Association of America (PMAA), the American Petroleum Institute (API), the U.S. Coast Guard (USCG), and the state of North Carolina. The expedited access process allows transporters to access fuel quicker and improves the efficiency of its distribution from the port. To date facilities are utilizing security escorts to allow non-credentialed drivers access and no TWIC waiver requests have been initiated from the facility to the Coast Guard.

UPDATE ON OVERALL SYSTEM SUPPLY – From Colonial's Website



Supply Operations Explained (Colonial Pipeline Company System Map

source: <https://helena.colonialresponse.com/>)

As described above, gasoline shipments on Lines 1 and 2 (Mainlines) initiated on the system starting last week were delivered this past weekend or are in route to the following markets, with local and regional fuel marketers distributing the product from their terminals to retail stations:

- Boligee, Oxford and Birmingham, Alabama
- Opelousas, Louisiana
- Atlanta, Georgia
- Meridian, Mississippi
- Belton and Spartanburg, South Carolina
- Greensboro and Charlotte, North Carolina

Upon arrival at the mainline terminal locations outlined above, Colonial will deliver fuel directly to local terminal customers or re-originate the fuel down lateral or stublines to additional terminals in several other markets, which are highlighted below. Fuel terminal operators will then determine distribution patterns for each respective market, where gasoline will be off-loaded into tanker trucks for delivery to retail stations.

- Griffin, Macon, Albany, and Bainbridge, Georgia
- Raleigh and Selma, North Carolina
- Nashville, Knoxville, and Chattanooga, Tennessee
- North Augusta, South Carolina

Under normal circumstances, the Colonial Pipeline system transports approximately 2.6 million barrels of refined products each day, with Line 1 accounting for half of this volume. Colonial is currently shipping significant volumes of gasoline on Line 2, the distillate mainline, to help mitigate the impact of the service interruption to Line 1. These changes have allowed all origins and delivery markets to be served along the entire system, albeit in a reduced capacity. For more information on the fuel supply chain, please click here: http://www.refinerlink.com/blog/Pipelines_Ship_Refinery_Products_to_Pump

OVERVIEW (Background requested to be reinstated by partners)

Colonial Pipeline Company's Line 1 was shut down on September 9th due to a leak near Helena, Alabama. Line 1 supplies 1.37 million barrels per day (b/d) of gasoline to delivery locations in the Southeast and supplies gasoline into Colonial Pipeline's Lines 3 and 4, which move supply along the Eastern Seaboard as far north as New York Harbor. Colonial has enacted contingency plans that allow for reduced shipments of gasoline on unaffected portions of Line 1. EIA estimates that the net supply loss in this situation is 900,000 barrels per day (b/d) of gasoline, or a reduction in normal gasoline flows of approximately 68%. The Colonial system is critical for the supply of transportation fuels in the Southeast, delivering more than 70% of supply in Georgia, Tennessee, South Carolina, North Carolina, and Virginia, and between 30% to 70% of supply in Alabama and Maryland. The reduction in gasoline volumes has resulted in spot outages at distribution terminals in the Southeast, and has led to retail price spikes of more than 20 cents per gallon (cpg) in some markets.

SC Office of Regulatory Staff
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