
From: Patel, Swati
Sent: Tuesday, November 1, 2016 8:47 PM
To: Haley, Nikki; Taylor, Richele; Godfrey, Rob
Subject: Fwd: ADVISORY UPDATE - Colonial Pipeline Disruption
Attachments: 2016-11-01 Colonial Pipeline Rupture State Congressional Advisory #1.pdf; ATT00001.htm

FYI

Sent from my iPhone

Begin forwarded message:

From: "Swenson, William" <William.Swenson@hq.doe.gov>
Date: November 1, 2016 at 7:15:44 PM EDT
To: "Swenson, William" <William.Swenson@hq.doe.gov>
Cc: "Carrillo, Francisco" <Francisco.Carrillo@hq.doe.gov>, "Powell, James" <James.Powell@Hq.Doe.Gov>, "Duncan, Matthew D" <Matthew.Duncan2@hq.doe.gov>
Subject: ADVISORY UPDATE - Colonial Pipeline Disruption

ADVISORY UPDATE

Attached is a detailed recap and update on the current situation regarding the Colonial Pipeline disruption that occurred yesterday.

The key updates are as follows:

- On October 31, at 3 PM EDT, a crew working on Colonial's gasoline pipeline (Line 1) in Shelby Co. experienced an incident when the trackhoe it was operating hit the pipeline and caused a fire. Local emergency responders have now contained the fire on Colonial Pipeline's Line 1, and are allowing it to burn under the supervision of local fire and emergency management personnel.
- Colonial expects to conduct a damage assessment within 24-36 hours once the fire is extinguished and the area is deemed safe.
- Line 2 restarted at 12:45 AM EDT, November 1, but is currently operating at a reduced rate. Colonial plans to perform an assessment on Line 2 tomorrow once they gain access to the incident site. After the assessment is completed, Line 2 could be returned to its full rate.
- Colonial is also shutting down various spur lines on the southern and northern mainline systems between now and Friday due to the lack of gasoline in the pipeline. Potential inventory impacts can be expected in the Northeast by Friday. The Southeast should expect impacts sooner. Many dates and times being reported in the media are used by the company for planning purposes, and the projected restart date will become clearer once Colonial is able to conduct a damage assessment. The media information is likely from a Colonial bulletin to shippers indicating current contract delivery schedules that were drafted based on a restart time of 12:00 pm EDT, Saturday, November 5. To reiterate, this time is a placeholder and may not reflect the actual

restart time. There will be better information available once the damage assessment is complete.

- Colonial believes gasoline markets that were previously affected by the September shutdown will be similarly affected by the current shutdown.
- EIA data shows state inventories have been building in the last 4 weeks, and are on average 8 to 9 percent above the level before the September 2016 pipeline incident.
- States received a situation update from OE/ISER and were provided with an inventory overview by EIA. States reported they are considering issuing hours of service, fuel blend, and other waivers to alleviate supply concerns, but are waiting for more inventory data and Colonial's restart timeline.
- Tomorrow, November 2, EIA will publish inventory data from October 28th in the recurring This Week in Petroleum report.
- OE/ISER will conduct daily calls with the Colonial Pipeline Company and the State Energy Emergency Assurance Coordinators to maintain situational awareness and assist with gaps or shortfalls caused by the incident.

DOE will issue future updates as the status information changes.

If you have questions, please contact the Office of Congressional and Intergovernmental Affairs at (202) 586-3600.

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