

From: Taylor, Richele
To: Scott, Dukes <Dukes.Scott@regstaff.sc.gov>
Date: 9/18/2016 9:51:26 PM
Subject: RE: Update

Thanks!

From: Scott, Dukes
Sent: Sunday, September 18, 2016 8:20 PM
To: Taylor, Richele
Subject: Update

SITUATION UPDATE

Colonial's projection for restarting Line 1 remains sometime next week (this is what they have told their customers), however, Colonial is assessing the potential impact on this timeline from a DOT Corrective Action Order (CAO) issued on Friday, September 16th. As of the morning of Sunday, September 18th, all efforts at the incident site are being directed towards the installation of a 36-inch above ground bypass around the stopped section.

As of 10:00 AM EDT, September 18th, temporary pig launcher and receiver installation was completed, however plans to drain the remaining product from the stopped section were placed on hold, and excavation of the stopped section was halted, with all efforts directed toward the installation of the 36-inch aboveground bypass section. Planning and construction activities of the bypass section are underway, with a work plan and project design under review by onsite PHMSA personnel. Excavation of the bypass tie-in locations were approximately 50 percent complete and assembled portions of the bypass section have been successfully hydrotested to confirm integrity.

Currently, Colonial's Lines 3 and 4 (running from Greensboro, NC, to Linden, NJ, and Baltimore, MD, respectively) are only shipping distillate and jet fuel. Colonial has told us that following the restart of Line 1, projected for next week, gasoline will then be delivered on Line 1 into Greensboro within 12-24 hours, with gasoline shipments moving to Middle Atlantic delivery points on Lines 3 and 4 between 4 to 7 days later (the gasoline must "push" the distillates (diesel/jet fuel) north to allow the gasoline to be delivered to the terminals north of Greensboro).

DOE ACTIONS AFFECTING STATES

On Friday, September 16th, EPA waived reformulated gasoline requirements in metropolitan areas of 11 states and the District of Columbia, permitting use of a wider range of gasoline blendstocks.

On Saturday, September 17, OE/ISER coordinated 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 improved access process will allow industry to access fuel quicker and therefore make more deliveries.

RETAIL PRICE IMPACTS

Local media have reported long lines at retail filling stations across the U.S. Southeast due to the supply disruption. Figures 1 and 2 present average retail gasoline (regular unleaded) prices in select Southeast and Middle Atlantic metropolitan areas supplied by the Colonial Pipeline System. Figure 1 shows increases across select Southeast price points beginning Monday, September 12 with increases of nearly 28 cents per gallon

(cpg) in Atlanta, 25 cpg in Nashville, and 17 cpg in Greensboro.

FIGURE 1: SELECT AVERAGE RETAIL GASOLINE PRICES (REGULAR UNLEADED)

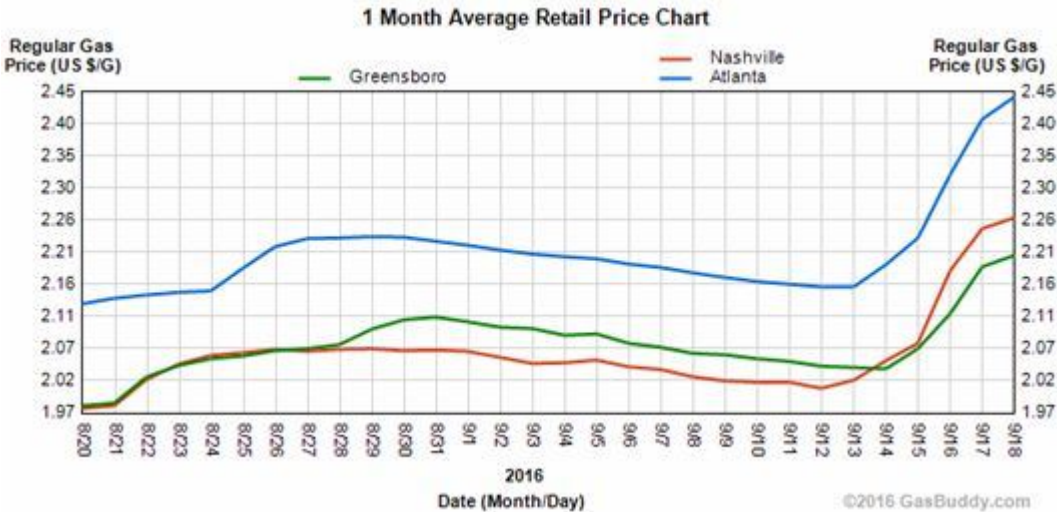
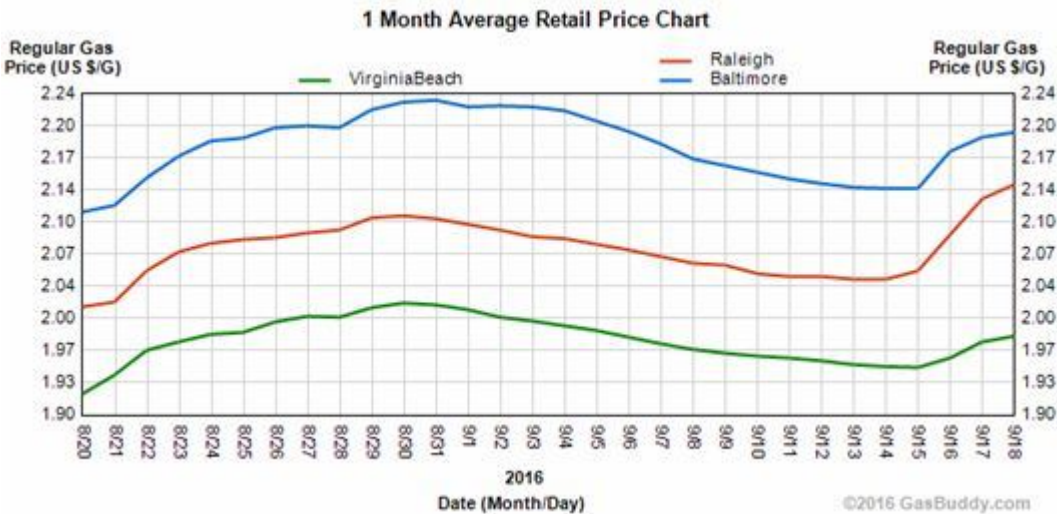


Figure 2 shows average prices rising in Middle Atlantic points supplied by Colonial’s mixed products lines – Lines 3 and 4 – beginning Thursday, September 15th with Baltimore up 5 cpg and Virginia Beach about 3 cpg. Increases of about 10 cpg have been observed in Raleigh, which is supplied by a spur line from Colonial’s Greensboro breakout junction.

FIGURE 2: SELECT AVERAGE RETAIL GASOLINE PRICES (REGULAR UNLEADED)



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