OFFICE OF ENERGY ASSURANCE U.S. DEPARTMENT OF ENERGY

Hurricane Frances Situation Report

September 3, 2004 15:00 Hours

HIGHLIGHTS

- Office of Energy Assurance is supporting ESF-12 function at Regional Operations Center in Atlanta. GA and the FL EOC in Tallahassee.
- Office of Energy Assurance is staffing the ESF-12 desk at FEMA-HQ in Washington, D.C

OIL & GAS INFORMATION

Yesterday, EPA, along with the State of Florida Environmental Quality Agency, issued enforcement discretion for the entire state, for both gasoline and diesel fuel, until midnight Tuesday. The gasoline waiver allows 9.0 psi gasoline to be used in the 7.8 psi areas statewide. The diesel waiver allows the use of high sulfur diesel with red dye. IRS also issued a letter to waive penalties for those using red-dyed diesel in motor vehicles. Distributors, however, will be required to pay motor fuel taxes.

In an effort to allow more transportation fuel to be delivered into FL, DOE worked with the FL Governor's office to request the U. S. Department of Transportation to issue driver-waiver hours extensions to allow truckers to travel longer hours (farther distances) so product can be obtained and delivered to areas where fuel is currently needed. The waiver was issued yesterday.

Port Authorities were contacted this morning to determine closures. Port Canaveral closed at 1000 this morning. Administrative offices plan to reopen at 0800 on Tuesday 9/7. Essential personnel are at port to assist with reopening as soon as permissible.

Port Everglades remains open but there are no ships in port. Tanker trucks are picking up product at Port Everglades terminals to restock retail gasoline stations. It was noted that shipments will halt when winds hit 35 mph for the safety of the tanker truck operators.

The Port at Jacksonville will close some time between 1800 Friday and 0600 Saturday. They plan to shelter in place because winds should be only 50 knots. No tankers came in today; yesterday, two gasoline tankers were in port for TST Services and Amerada Hess.

At Port Tampa ships are being allowed to dock on a case by case basis. Both Citgo and Marathon received shipments of gasoline this morning.

A smaller port in Panama City (under Mobile, AL purview) is still in operation with no plans to close at this time. They continue to receive fuel barges (diesel and gasoline).

OEA spoke to staff in the Florida Department of Agriculture, Bureau of Petroleum Inspection, who have been conducting inspections of gasoline stations based on consumer hotline calls -- approximately 15 that were inspected over the past two days were out of gasoline. It was noted that the stations need to keep 500-1000 gallons in the tanks to avoid problems when the water table alters because of the storm. The stations were primarily independents and not all were located on I-95. There still have been trucks spotted filling up at stations late this morning.

OEA also spoke with the FL Petroleum Marketers Association. The FL PMA noted that gasoline stations along evacuation routes (FL Turnpike, Highway I-95, I-27 and I-75) had gasoline; however, stations had limited the amount of gasoline sold per customer and did not always have all grades of gasoline available.

With respect to natural gas, company information on the natural gas system electronic bulletin boards have posted no compressor stations down at this time. Operational capacity is available.

