



East Coast energy infrastructure braces for biggest post-Sandy test

By Jarrett Renshaw
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Energy companies along the East Coast are preparing for a big test of whether they learned lessons from Hurricane Sandy, which choked the region's gasoline supply chain and forced consumers to ration supplies while the hobbled industry regained its footing.

Hurricane Joaquin, a category 4 storm, could land early next week in the Mid-Atlantic region, home to five major refineries, the New York Harbor gasoline market, and major logistics assets. The most recent models have the storm veering farther from the East Coast, which could spare the region the brunt of the storm.

Sandy knocked out power to 8.3 million commercial and residential customers across the United States, including 2.6 million in New Jersey and 2.1 million in New York. Many of these customers were gasoline service stations, fuel terminals and even pipelines.

Phillips 66 ([PSX.N](#)) has elevated power substations and hardened storm doors at a saltwater pump station after Hurricane Sandy forced the company to shut its 238,000 barrel-per-day refinery in Linden, New Jersey for weeks due to electrical issues, Dennis Nuss, a company spokesperson, said on Thursday.

Not all the plant's substations have been elevated, according to a source familiar with the plant's operations. However, the substations most vulnerable to flooding have been raised, the source said.

The company has already secured critical emergency equipment and resources for quicker post-storm mobilization. This includes temporary office space, housing, food, fuel and generators, Nuss said.

"The safety of our employees and their families remains our highest priority," Nuss said.

Two other regional refiners, Philadelphia Energy Solutions and Monroe Energy, a Delta Airlines subsidiary, have requested additional workers over the weekend in case the plants are shut down.

Traffic in waterways around New York Harbor were shut or very limited in Sandy's aftermath, bringing waterborne gasoline imports to the East Coast to historic lows, according the U.S. Energy Information Administration.

The U.S. Coast Guard in New York and Philadelphia have yet to issue any warnings. Rail operators Norfolk Southern Corp ([NSC.N](#)) and CSX Corp ([CSX.N](#)) have told customers along their main [crude oil](#) routes that they are monitoring the storm and working to prevent delays.

During Sandy, terminal and storage facilities in the region were hobbled by power outages and flooding damage that hampered their ability to get gasoline to the retail outlets. Some of these were owned by Kinder Morgan Inc ([KMI.N](#)), Buckeye Partners LP ([BPL.N](#)), NuStar Energy and IMTT.

NuStar Energy LP ([NS.N](#)) said it has made a number of investments at its 4.1 million barrel terminal in Linden, NJ, including elevating power sources and communication cables and relocating command control centers out of flood areas.

In the wake of Sandy, retailers and distributors blamed each other for the gasoline supply squeeze. Retailers pushed back efforts in New Jersey to force them to have backup generators in case of power outages.

“The problem was the distributors. Even the stations that had power could not get supplies because the terminals and truck racks were down,” said Sal Risalvato, the executive director of the New Jersey Gasoline, C-Store, and Automotive Association.

Risalvato said the industry is in better position to handle the problems today, saying some retail operators have purchased backup generators.

“Ultimately, it comes down to the distributors. We will see if they have done anything to safeguard against this problem repeating again,” Risalvato said.

(Reporting By Jarrett Renshaw; Editing by [David Gregorio](#))