



U.S. Department
Of Transportation
Pipeline and
Hazardous Materials
Safety Administration

820 Bear Tavern Road, Suite 103
West Trenton, NJ 08628
609.989.2171

NOTICE OF AMENDMENT

OVERNIGHT EXPRESS DELIVERY

February 25, 2015

Mr. Tim Felt
President and Chief Executive Officer
Colonial Pipeline Company
1185 Sanctuary Parkway, Suite 100
Alpharetta, GA 30009

CPF 1-2015-5003M

Dear Mr. Felt:

From October 27-31, 2014 a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Colonial Pipeline Company (CPL) procedures for tank maintenance in Linden, NJ.

On the basis of the inspection, PHMSA has identified apparent inadequacies within CPL's plans or procedures, as described below:

1. §195.402 Procedural manual for operations, maintenance, and emergencies.

(a) General. Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to insure that the manual is effective. This manual shall be prepared before initial operations of a pipeline system commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.

Colonial Pipeline's (CPL) Tank Maintenance and Repair standard revised 2/14/2013 is inadequate in that it does not reference the correct API Standards as required by CFR §195.3.

During the inspection, PHMSA reviewed the procedure and noted the following inadequacies:

The procedure references incorrect editions of API Standards 650 and 653:

1. API 650 10th edition is referenced in the procedure - - the 11th edition is incorporated by reference in CFR §195.3.
2. API 653 3rd edition is referenced in the procedure – addendum 3 errata April 2008 is incorporated by reference in CFR §195.3.

2. §195.402 Procedural manual for operations, maintenance, and emergencies.

(a) General. Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to insure that the manual is effective. This manual shall be prepared before initial operations of a pipeline system commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.

Colonial Pipeline's (CPL) Tank Maintenance and Repair standard (TMRS) revised 2/14/2013 is inadequate in that it does not clearly specify how the requirements of API Standard 653, incorporated by reference in CFR §195.3, are met.

During the inspection, PHMSA reviewed CPL's Tank Maintenance and Repair Standard revised 2/14/2013 and noted the following inadequacies.

1. Section 12.2 Vertical Shell Welds, paragraph 12.2.1 states: "Vertical welds joining shell plates must have complete penetration and fusion in accordance with API 650 (See Section 1.1 Scope for the correct version). This requirement applies to most of Colonial's tanks since they were constructed under an edition of API 650 (See Section 1.1 Scope for the correct version). . .

It is not clear how the information above should be applied to the maintenance and repair of welds in tanks that have already been constructed.

Paragraph 12.2.1 also states: "Repair any vertical weld identified as having incomplete penetration or fusion by gouging and re-welding."

Repair and inspection requirements for vertical welds are specified in API Standard 653. The CPL procedure does not provide any reference to the relevant portions of API Standard 653. In addition, the procedure does not provide details such as: When must a vertical weld on a tank be checked for incomplete penetration or fusion? Who should identify the vertical weld as having incomplete penetration? What are the inspection methods and criteria used to determine if the repair is acceptable?

2. Section 12.3 Horizontal Shell Welds, paragraph 12.3.1 states in part: "The standard for acceptability for horizontal weld repairs depends upon the extent of the repair. If during the repair any portion of the horizontal weld is removed, thereby requiring welding from both sides, then that portion of the horizontal weld repair will be judged acceptable according to API 650 (See Section 1.1 Scope for the correct version). If the horizontal weld repair does not require the removal of the entire existing weld, thereby is welded from only one side, then the weld repair acceptability standard is the edition of API 650 under which the tank was built."

Repair and examination requirements for repair of defects in shell plate material and repair of defective welds are specified in API Standard 653. The CPL procedure does not provide any reference to the relevant portions of API Standard 653. In addition, the procedure does not provide guidance on the examination process, such as what techniques should be used to inspect the weld repair.

3. Section 12.3 Horizontal Shell Welds, paragraph 12.3.2 states: "Examine weld surfaces with corrosion for possible incomplete fusion. Repair any signs of incomplete fusion as specified in API 650 (See Section 1.1 Scope for the correct version)."

Examination and repair requirements for repair of defects in shell plate material and repair of defective welds are specified in API Standard 653. The procedure does not provide any reference to the relevant portions of API Standard 653. In addition, the procedure does not provide guidance on the examination process, such as what criteria should be used to determine if an examination is required and what techniques should be used to inspect for incomplete fusion.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.237. Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Compliance Proceedings*. Please refer to this document and note the response options. Be advised that all material you submit in response to this enforcement action is subject to being made publicly available. If you believe that any portion of your responsive material qualifies for confidential treatment under 5 U.S.C. 552(b), along with the complete original document you must provide a second copy of the document with the portions you believe qualify for confidential treatment redacted and an explanation of why you believe the redacted information qualifies for confidential treatment under 5 U.S.C. 552(b). If you do not respond within 30 days of receipt of this Notice, this constitutes a waiver of your right to contest the allegations in this Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further notice to you and to issue a Final Order.

If, after opportunity for a hearing, your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.237). If you are not contesting this Notice, you must submit your amended procedures to my office within 90 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

It is requested (not mandated) that CPL maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Byron Coy, PE, Director, PHMSA Eastern Region, 820 Bear Tavern Road, Suite 103, W. Trenton, NJ 08628. In correspondence concerning this matter, please refer to **CPF 1-2015-5003M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Additionally, if you choose to respond to this (or any other case), please ensure that any response letter pertains solely to one CPF case number.

Sincerely,

Byron Coy, PE
Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*