

May 4, 2021

Mr. Joseph Blount  
President and Chief Executive Officer  
Colonial Pipeline Company  
1185 Sanctuary Parkway  
Suite 100  
Alpharetta, Georgia 30009

**CPF No. 2-2020-5001**

Dear Mr. Blount:

Enclosed please find a Consent Order incorporating the terms of the Consent Agreement between the Pipeline and Hazardous Materials Safety Administration (PHMSA) and Colonial Pipeline Company which was executed on May 3, 2021. Service of the Consent Order and Consent Agreement by electronic mail is deemed effective upon the date of transmission, or as otherwise provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Alan K. Mayberry  
Associate Administrator  
for Pipeline Safety

Enclosure: Order and Consent Agreement

cc: Mr. James Urisko, Director, Southern Region, Office of Pipeline Safety, PHMSA  
Mr. Mark Piazza, Manager, Pipeline Compliance and R&D, Colonial Pipeline Company,  
mpiazza@colpipe.com  
Ms. Catherine Little, Troutman Pepper, Counsel for Colonial Pipeline Company,  
catherine.little@troutman.com

CONFIRMATION OF RECEIPT REQUESTED

**U.S. DEPARTMENT OF TRANSPORTATION  
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION  
OFFICE OF PIPELINE SAFETY  
WASHINGTON, D.C. 20590**

_____ )	
<b>In the Matter of</b> )	
)	
<b>Colonial Pipeline Company,</b> )	<b>CPF No. 2-2020-5001</b>
)	
<b>Respondent.</b> )	
_____ )	

**CONSENT ORDER**

By letter dated December 15, 2020, the Pipeline and Hazardous Materials Safety Administration, Office of Pipeline Safety, issued a Notice of Probable Violation and Proposed Compliance Order (Notice) to Colonial Pipeline Company (Colonial).

In response to the Notice, Colonial requested a hearing and an opportunity to discuss settlement outside of the hearing, whereupon the parties engaged in good-faith settlement discussions that have resulted in the Consent Agreement attached to this Order that settles all of the allegations in the Notice.

Accordingly, the Consent Agreement is hereby approved and incorporated by reference into this Order. Colonial is hereby ordered to comply with the terms of the Consent Agreement, effective immediately.

Pursuant to 49 U.S.C. § 60101, *et seq.*, failure to comply with this Consent Order may result in the assessment of civil penalties as set forth in 49 C.F.R. § 190.223.

The terms and conditions of this Consent Order are effective upon service in accordance with 49 C.F.R. § 190.5.

**May 4, 2021**

\_\_\_\_\_  
Alan K. Mayberry  
Associate Administrator  
for Pipeline Safety

\_\_\_\_\_  
Date Issued



## **I. General Provisions**

1. Respondent acknowledges that as the operator of the Colonial system in Texas, Louisiana, Mississippi, Alabama, Georgia, Tennessee, South Carolina, Virginia, Maryland, Delaware, Pennsylvania, and New Jersey, Respondent and its Colonial Pipeline system are subject to the jurisdiction of the Federal pipeline safety laws, 49 U.S.C. § 60101, *et seq.*, and the regulations and administrative orders issued thereunder. For purposes of this Agreement, Respondent acknowledges that it received proper notice of PHMSA's action in this proceeding and that the Notice states claims upon which relief may be granted pursuant to 49 U.S.C. § 60101, *et seq.*, and the regulations and orders issued thereunder.

2. After Colonial returns this signed Agreement to PHMSA, the Agency's representative will present it to the Associate Administrator for Pipeline Safety, recommending that the Associate Administrator adopt the terms of this Agreement by issuing an administrative order (Consent Order) incorporating the terms of this Agreement. The terms of this Agreement constitute an offer of settlement until accepted by the Associate Administrator. Once accepted, the Associate Administrator will issue a Consent Order incorporating the terms of this Agreement.

3. Respondent consents to the issuance of the Consent Order, and hereby waives any further procedural requirements with respect to its issuance. Respondent waives all rights to contest the adequacy of notice, or the validity of the Consent Order or this Agreement, including all rights to administrative or judicial hearings or appeals, except as set forth herein.

4. This Agreement shall apply to and be binding upon PHMSA and Colonial, its officers, directors, and employees, and its successors, assigns, or other entities or persons otherwise bound by law. Respondent agrees to provide a copy of this Agreement and any incorporated work plans and schedules to all of Colonial's officers, employees, and agents whose duties might reasonably include compliance with this Agreement.

5. This Agreement constitutes the final, complete and exclusive agreement and understanding between the Parties with respect to the settlement embodied in this Agreement. The Parties acknowledge that there are no representations, agreements or understandings relating to settlement other than those expressly contained in this Agreement, except that the terms of this Agreement may be construed by reference to the Notice.

6. Nothing in this Agreement affects or relieves Respondent of its responsibility to comply with all applicable requirements of the Federal pipeline safety laws, 49 U.S.C. § 60101, *et seq.*, and the regulations and orders issued thereunder. Nothing in this Agreement alters PHMSA's right of access, entry, inspection, and information gathering or PHMSA's authority to bring enforcement actions against Colonial pursuant to the Federal pipeline safety laws, the regulations and orders issued thereunder, or any other provision of Federal or State law.

7. For all transfers of ownership or operating responsibility of Colonial's pipeline system which occur while this Agreement is in effect, Colonial will provide a copy of this Agreement to the prospective transferee at least 30 days prior to such transfer. Colonial will provide written notice of the transfer to the PHMSA Southern Regional Director no later than 60 days after the transfer occurs.

8. This Agreement does not waive or modify any Federal, State, or local laws or regulations that are applicable to Respondent's pipeline systems. This Agreement is not a permit, or a modification of any permit, under any Federal, State, or local laws or regulations. Colonial remains responsible for achieving and maintaining compliance with all applicable Federal, State, and local laws, regulations and permits.

9. This Agreement does not create rights in, or grant any cause of action to, any third party not party to this Agreement. The U.S. Department of Transportation is not liable for any injuries or damages to persons or property arising from acts or omissions of Respondent or its officers, employees, or agents carrying out the work required by this Agreement. Colonial agrees to hold harmless the U.S. Department of Transportation, its officers, employees, agents, and representatives from any and all causes of action arising from any acts or omissions of Respondent or its contractors in carrying out any work required by this Agreement.

10. This Agreement does not constitute a finding of violation of any Federal law or regulation and may not be used in any civil proceeding of any kind as evidence or proof of any fact, fault or liability, or as evidence of a violation of any law, rule, regulation or requirement, except in a proceeding to enforce the provisions of this Agreement or in future PHMSA enforcement actions.

11. Upon issuance of the Consent Order, the Parties agree to the terms in this Agreement and its appendices, which are incorporated herein.

## **II. Items 1, 3 and 4 of the Notice:**

12. *Allegations of Violation - §§ 195.61(b), 195.412(b), and 195.567(c):* With respect to Items 1, 3 and 4 of the Notice, the Director, Southern Region, Colonial does not contest but neither admits nor denies any allegation or conclusion in the Notice. As such, Items 1, 3 and 4 of the Notice are issued as warning items, as proposed in the Notice. PHMSA advises Colonial to promptly correct these items. Failure to do so may result in additional enforcement action.

## **III. Item 2 of the Notice:**

13. *Allegation of Violation - § 195.262(b)(2):* With respect to Item 2 of the Notice, the Parties agree that the facts as alleged in the Notice are true and correct, but Colonial neither admits nor denies that it violated the federal pipeline safety regulations. The Director, Southern Region has reviewed additional information provided by Colonial and discussed with Colonial the important safety implications of the issues raised by this allegation. PHMSA agrees to issue Item 2 as a warning item on the condition that Colonial completes the additional compliance actions outlined below. The Parties agree that the facts as alleged in the Notice may be considered by PHMSA as a prior offense in any future enforcement action taken against Colonial. If the compliance actions incorporated into this Agreement are not completed, PHMSA reserves the right to take further enforcement action, including issuing a finding of violation and assessing a civil penalty.

14. ***Proposed Compliance Order:*** The Proposed Compliance Order included in the Notice is withdrawn. Respondent agrees to complete the corrective actions specified in Appendix A of this Agreement, titled “Work Plan for Identification, Inspection, and Safe Use of Emergency Shut Down Devices in Relevant Pumping Stations throughout the Colonial Pipeline System” (Work Plan).

#### **IV. Additional Work to be Performed:**

15. Respondent agrees to complete the actions described in the Work Plan in accordance with the schedules set forth therein. Respondent agrees that the activities described in the Work Plan go beyond the minimum federal pipeline safety regulations.

16. Respondent agrees to revise the Work Plan as necessary to incorporate new information obtained during the activities performed under the Work Plan. Respondent shall submit any such plan revisions to the Director for prior approval. The Director may approve Work Plan revision elements incrementally.

17. The Director may grant an extension of time for completion of any of the work to be performed under the Work Plan upon Respondent’s timely, written request that demonstrates both good cause for an extension and provides sufficient detail to enable the Director to evaluate Respondent’s request.

18. With respect to any submission by the Respondent under the Work Plan that requires the approval of the Director, the Director may: (1) approve the submission, in whole or in part; (2) disapprove the submission on specified conditions; (3) disapprove the submission, in whole or in part; or (4) undertake any combination of the foregoing. In the event of approval in whole, in part, or upon conditions, Colonial will proceed to take all actions required by the submission as modified by the Director. In the event the Director does not approve all or any portion of a submission, the Director will provide Colonial with a written notice of the deficiencies. Respondent will correct all deficiencies within the time specified by the Director and resubmit it for acceptance.

#### **IV. Enforcement**

19. This Agreement, including all elements of the incorporated Work Plan, is subject to all enforcement authorities available to PHMSA under 49 U.S.C. § 60101, *et seq.*, and 49 C.F.R. Part 190, including administrative civil penalties under 49 U.S.C. § 60122, of up to \$200,000 (as adjusted) per violation for each day the violation continues and referral of the case to the Attorney General for judicial enforcement, if PHMSA determines that Respondent is not complying with the terms of this Agreement in accordance with determinations made by the Director, or if appealed, in accordance with decisions of the Associate Administrator. The maximum civil penalty amounts are adjusted annually for inflation. *See* 49 C.F.R. § 190.233.

**V. Dispute Resolution**

20. The Director and Colonial will informally attempt to resolve any disputes arising under this agreement, including, but not limited to, any decision of the Director. If Colonial and the Director are unable to informally resolve the dispute within 15 calendar days after the dispute is first raised in writing, Colonial may submit a written request for a determination resolving the dispute from the Associate Administrator for Pipeline Safety. The written request for a determination must be provided to the Director, counsel for the Southern Region, and to the Associate Administrator no later than 10 calendar days after the 15-day deadline for informal resolution referenced in this paragraph. Along with its request, Colonial must provide the Associate Administrator with all information Colonial believes is relevant to the dispute. Determinations of the Associate Administrator under this paragraph constitute final agency action. The existence of a dispute and PHMSA's consideration of matters placed in dispute, will not excuse, toll, or suspend any term or timeframe for completion of any work to be performed under this Agreement during the pendency of the dispute resolution process, except as agreed upon by the Director or Associate Administrator in writing.

**VI. Effective Date**

21. The term "Effective Date," as used herein, is the date on which the Consent Order is issued by the Associate Administrator, PHMSA, incorporating the terms of this Agreement.

**VII. Modification**

22. The terms of this Agreement may be modified by mutual agreement of the Parties. Such modifications must be in writing and signed by both parties.

**IX. Termination**

23. This Agreement will terminate upon submission, and approval where specified, of the deliverables set forth in the Work Plan.

**X. Ratification**

24. The Parties' undersigned representatives certify that they are fully authorized to enter into the terms and conditions of this Agreement and to execute and legally bind such party to this document.

25. The Parties hereby agree to all conditions and terms of this Agreement.

**For Colonial Pipeline Company:**

\_\_\_\_\_  
Wes Dunbar  
Vice President of Operations

\_\_\_\_\_  
Date

**For PHMSA:**

\_\_\_\_\_  
James Urisko  
Director, Southern Region

\_\_\_\_\_  
Date