

Mr. D.L. Lemmon
President
Colonial Pipeline Co.
945 E. Paces Ferry Road.
Atlanta, Georgia 30326

Re: CPF No. 26506, Colonial Pipeline Co.

Dear Mr. Lemmon:

Enclosed is the Final Order issued by the Associate Administrator for Pipeline Safety in the above-referenced case. It makes findings of violation, assesses a civil penalty, and acknowledges completion of corrective action. The penalty payment terms are set forth in the Final Order. This case will close automatically upon payment of the civil penalty. Your receipt of the Final Order constitutes service of that document under 49 C.F.R. § 190.5.

Sincerely,

\S\ Gwendolyn M. Hill

Gwendolyn M. Hill
Pipeline Compliance Registry
Office of Pipeline Safety

Enclosure

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

DEPARTMENT OF TRANSPORTATION
RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, DC 20590

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| |) | |
| In the Matter of |) | |
| |) | |
| Colonial Pipeline Co., |) | CPF No. 26506 |
| |) | |
| Respondent. |) | |
| |) | |

FINAL ORDER

Following a pipeline failure near Murfreesboro, Tennessee, on November 5, 1996, pursuant 49 U.S.C. § 60117, representatives of the Office of Pipeline Safety (OPS) conducted an on-site pipeline safety inspection of Respondent's facilities and records in Murfreesboro and in Atlanta, Georgia. As a result of the inspection, the Director, Southern Region, OPS, issued to Respondent, by letter dated November 8, 1996, a Notice of Probable Violation, Proposed Civil Penalty and Proposed Compliance Order. In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Respondent had violated 49 C.F.R. § 195.406 and assessing a civil penalty of \$25,000 for the alleged violation. The Notice also proposed that Respondent take certain measures to correct the alleged violation.

Respondent responded to the Notice by letter dated December 3, 1996 (Response). Respondent did not contest the allegations, but requested the entry of a consent order to resolve the case. At a hearing held on February 10, 1997 in Atlanta, Georgia, Respondent was notified that OPS would not consider a consent order in this case. Respondent indicated that it had begun and would shortly complete the corrective action proposed. Respondent was afforded the opportunity to provide information concerning completion of corrective action following the hearing, but did not do so.

FINDINGS OF VIOLATION

Respondent did not contest the violation alleged in the Notice. Accordingly, I find that Respondent committed the following violation of 49 C.F.R. Part 195, as more fully described in the Notice:

49 C.F.R. § 195.406 -- failing to control the operating pressure during start up of the Signal Mountain and Coalmont pumping stations upstream of Murfreesboro, Tennessee, to 110 per cent of the normal operating pressure and failing to have adequate controls to prevent this

from occurring.

This finding of violation will be considered a prior offense in any subsequent enforcement action taken against Respondent.

ASSESSMENT OF PENALTY

Under 49 U.S.C. § 60122, Respondent is subject to a civil penalty not to exceed \$25,000 per violation for each day of the violation up to a maximum of \$500,000 for any related series of violations. The Notice proposed assessment of \$25,000.

49 U.S.C. § 60122 and 49 C.F.R. § 190.225 require that, in determining the amount of the civil penalty, I consider the following criteria: nature, circumstances, and gravity of the violation, degree of Respondent's culpability, history of Respondent's prior offenses, Respondent's ability to pay the penalty, good faith by Respondent in attempting to achieve compliance, the effect on Respondent's ability to continue in business, and such other matters as justice may require.

Failure to control pressure during the start up operation resulted in this case in the release of 2,017 barrels of petroleum (as reported by Respondent) . The overpressure, and resulting release of product, occurred because Respondent was attempting to pump against a closed valve upstream of its Murfreesboro Station. Respondent has been found in violation of this regulation before -- CPF No. 44508, final order issued November 25, 1997. No mitigation of the proposed penalty is warranted.

Accordingly, having reviewed the record and considered the assessment criteria, I assess Respondent a civil penalty of \$25,000 for violation of 49 C.F.R. § 195.406.

Payment of the civil penalty **must be made within 20 days of service**. Federal regulations (49 C.F.R. § 89.21(b)(3)) require this **payment be made by wire transfer**, through the Federal Reserve Communications System (Fedwire), to the account of the U.S. Treasury. **Detailed instructions are contained in the enclosure**. After completing the wire transfer, send a copy of the **electronic funds transfer receipt** to the **Office of the Chief Counsel** (DCC-1), Research and Special Programs Administration, Room 8405, U.S. Department of Transportation, 400 Seventh Street, S.W., Washington, D.C. 20590-0001.

Questions concerning wire transfers should be directed to: **Valeria Dungee**, Federal Aviation Administration, Mike Monroney Aeronautical Center, Financial Operations Division (AMZ-320), P.O. Box 25770, Oklahoma City, OK 73125; **(405) 954-4719**.

Failure to pay the \$25,000 civil penalty will result in accrual of interest at the current annual rate in accordance with 31 U.S.C. § 3717, 4 C.F.R. § 102.13 and 49 C.F.R. § 89.23. Pursuant to those same authorities, a late penalty charge of six percent (6%) per annum will be charged if payment is not made within 110 days of service. Furthermore, failure to pay the civil penalty may

result in referral of the matter to the Attorney General for appropriate action in an United States District Court.

COMPLIANCE ORDER

Under 49 U.S.C. § 60118(a), each person who engages in the transportation of hazardous liquids or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under chapter 601. The Notice proposed to require that Respondent take action to correct the inaccuracies with respect to its schematic displays and to identify and correct any instances in which block valves could serve to prevent overpressure monitoring and protection devices from functioning. Both in its Response and at the hearing, Respondent indicated that it had already initiated corrective action and that completion of the corrective action was imminent. Completion of the corrective action has finally been achieved. The Director, Southern Region, OPS, has accepted these measures as adequately fulfilling the requirements of the regulations and no further action is needed with respect to a compliance order.

Under 49 C.F.R. § 190.215, Respondent has a right to petition for reconsideration of this Final Order. The petition must be received within 20 days of Respondent's receipt of this Final Order and must contain a brief statement of the issue(s). The filing of the petition automatically stays the payment of any civil penalty assessed. All other terms of the order shall remain in full effect unless the Associate Administrator, upon request, grants a stay.

Failure to comply with this Final Order may result in the assessment of civil penalties of up to \$25,000 per violation per day, or in the referral of the case for judicial enforcement.

The terms and conditions of this Final Order are effective upon receipt.

\s\ Richard B. Felder

Richard B. Felder
Associate Administrator for Pipeline Safety

Date: July 9, 1998