

Mr. Donald Brinkley, President
Colonial Pipeline Company
945 East Paces Ferry Road
P.O. Box 18855
Atlanta, GA 30326

Re: CPF No. 44508

Dear Mr. Brinkley:

Enclosed is the Final Order issued by the Associate Administrator for Pipeline Safety in the above-referenced case. It makes a finding of violation and assess a civil penalty of \$5,000. The penalty payment terms are set forth in the Final Order. Your receipt of the Final Order constitutes service of that document under 49 C.F.R. § 190.5.

Sincerely,

Gwendolyn M. Hill
Pipeline Compliance Registry
Office of Pipeline Safety

Enclosure

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

UNITED STATES DEPARTMENT OF TRANSPORTATION
RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION

_____))
In the Matter of :))
))
Colonial Pipeline Company, Inc.) CPF No. 44508
))
Respondent.))
_____))

FINAL ORDER

Pursuant to 49 U.S.C. § 60117, a representative of the Office of Pipeline Safety (OPS) conducted an investigation of the February 8, 1994 accident involving Respondent's pipeline in Baton Rouge Junction Station, Jackson, Louisiana. As a result of the investigation, the Director, Southwest Region, OPS, issued to Respondent, by letter dated May 2, 1994, a Notice of Probable Violation and Proposed Civil Penalty (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Respondent had violated 49 C.F.R. § 195.406(b) and proposed assessing a civil penalty of \$25,000 for the alleged violation.

Respondent responded to the Notice by letter dated May 19, 1994 (Response). Respondent did not contest the allegation of violation but offered information to explain the allegation and requested mitigation of the proposed civil penalty.

Respondent also proposed a compromise offer of \$5,000, or a hearing if OPS did not accept the compromise. In a letter dated May 27, 1994, OPS rejected Respondent's offer of compromise. In a telephone conversation with RSPA's office of Chief Counsel, Respondent agreed to withdraw its request for a hearing, agreed to a finding of violation, and agreed to a \$5,000 civil penalty. In a letter dated April 3, 1996, Respondent confirmed this resolution.

FINDING OF VIOLATION

Respondent admitted violation of 49 C.F.R. § 195.406(b) as alleged in the Notice. Accordingly, I find that Respondent violated 49 C.F.R. § 195.406(b) by exceeding 110 percent of the operating pressure limit established by 49 C.F.R. § 195.406(a) at its Baton Rouge Junction Station on February 8, 1994. While the maximum operating pressure at the station was established at 133 pounds per square inch gauge (psig), an upset pressure condition that occurred during a line switching operation resulted in a pressure of approximately 390 psig, which is approximately 280 percent higher than the established limit.

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.

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.

The overpressure at the Baton Rouge Junction Station caused Respondent's vertical can pump, a type of booster pump, to rupture, resulting in the release of 430 barrels of fuel oil. While a civil penalty is warranted, the proposed \$25,000 amount is being mitigated. Following the incident, Colonial promptly revised its operating procedures to reduce the possibility of a similar incident from occurring again at the Baton Rouge Junction Station. The procedures address proper valve sequencing during line-switching operations. In addition, Colonial increased training on non-routine operations, such as the line-switching operation involved in this incident. Finally, Colonial modified the configuration of its pipeline facilities at Baton Rouge Junction Station to further lessen the possibility of a similar incident from recurring. The modified configuration permanently bypasses the vertical can pump.

Accordingly, having reviewed the record and considered the assessment criteria, I assess Respondent a civil penalty of \$5,000.

Payment of the civil penalty **must be made within 20 days of service**. Payment can be made by sending a certified check or money order (containing the CPF Number for this case) payable to "U.S. Department of Transportation" to the Federal Aviation Administration, Mike Monroney Aeronautical Center, Financial Operations Division (AMZ-320), P.O. Box 25770, Oklahoma City, OK 73125.

Federal regulations (49 C.F.R. § 89.21(b)(3)) also permit this **payment to 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 8407, U.S. Department of Transportation, 400 Seventh Street, S.W., Washington, DC 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 \$5,000 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.

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). In accordance with 49 C.F.R. § 190.215(d), filing the petition does not stay the effectiveness of this Final order. However, in the petition Respondent may request, with explanation, that the Final Order be stayed. The terms and conditions of this Final Order are effective upon receipt.

Richard B. Felder
Associate Administrator for
Pipeline Safety

04/14/1997
Date Issued: