



U.S. Department
of Transportation

**Pipeline and Hazardous
Materials Safety
Administration**

MAY 24 2012

1200 New Jersey Avenue SE
Washington, DC 20590

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

Re: CPF No. 1-2011-5007

Dear Mr. Felt:

Enclosed please find the Final Order issued in the above-referenced case. It makes a finding of violation and specifies actions that need to be taken by Colonial Pipeline Company to comply with the pipeline safety regulations. When the terms of the compliance order have been completed, as determined by the Director, Eastern Region, this enforcement action will be closed. Service of the Final Order by certified mail is deemed effective upon the date of mailing, or as otherwise provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

for: Jeffrey D. Wiese
Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Enclosure

cc: Mr. Byron Coy, PE, Director, Eastern Region, OPS
Mr. Alan Mayberry, Deputy Associate Administrator for Field Operations, OPS
Mr. Doug Belden, Vice President and General Manager – Operations, Colonial Pipeline
Company

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

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

)	
In the Matter of)	
)	
Colonial Pipeline Company,)	CPF No. 1-2011-5007
)	
Respondent.)	
)	

FINAL ORDER

On October 26 – 29, 2010, pursuant to 49 U.S.C. § 60117, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), conducted an on-site pipeline safety inspection of the Dorsey Junction breakout tank facilities and records of Colonial Pipeline Company (Colonial or Respondent) in Woodbine, Maryland. Colonial operates approximately 5,500 miles of hazardous liquid pipelines across the southern and eastern United States, approximately 4,000 miles of which could affect High Consequence Areas (HCAs).¹

As a result of the inspection, the Director, Eastern Region, OPS (Director), issued to Respondent, by letter dated September 21, 2011, a Notice of Probable Violation and Proposed Compliance Order (Notice), which also included a warning pursuant to 49 C.F.R. § 190.205. In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Colonial had violated 49 C.F.R. § 195.402(e) and proposed ordering Respondent to take certain measures to correct the alleged violation. The warning item required no further action, but warned the operator to correct the probable violation or face possible enforcement action.

In a letter dated October 17, 2011, Colonial requested a 60-day extension of the deadline to respond to the Notice. The Director granted this extension by letter dated October 24, 2011. On December 21, 2011, Colonial submitted a timely response to the Notice (Response). The company did not contest the allegation of violation and provided information concerning the corrective actions it had taken. Respondent did not request a hearing and therefore has waived its right to one.

¹ http://www.colpipe.com/ab_main.asp (last accessed on April 23, 2012).

FINDING OF VIOLATION

In its Response, Colonial did not contest the allegation in the Notice that it violated 49 C.F.R. Part 195, as follows:

Item 1: The Notice alleged that Respondent violated 49 C.F.R. § 195.402(e), which states, in relevant part:

§ 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....

(e) *Emergencies.* The manual required by paragraph (a) of this section must include procedures for the following to provide safety when an emergency condition occurs:

(1)

(3) Having personnel, equipment, instruments, tools, and material available as needed at the scene of an emergency.

The Notice alleged that Respondent violated 49 C.F.R. § 195.402(e) by failing to include procedures in its operations and maintenance (O&M) manual for having personnel, equipment, instruments, tools, and material available as needed at the scene of an emergency. Specifically, the Notice alleged that Colonial neither had adequate firefighting equipment on site to respond to major fires, nor did it have any documentation of an agreement with the local fire department regarding the availability of personnel, equipment, and materials that would be required to respond to such a fire.

Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 195.402(e) by failing to include procedures in its O&M manual for having personnel, equipment, instruments, tools, and material available as needed at the scene of an emergency.

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

COMPLIANCE ORDER

The Notice proposed a compliance order with respect to Item 1 in the Notice for a violation of 49 C.F.R. § 195.402(e). 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. Pursuant to the authority of 49 U.S.C. § 60118(b) and 49 C.F.R. § 190.217, Respondent is ordered to take the following actions to ensure compliance with the pipeline safety regulations applicable to its operations:

1. With respect to the violation of § 195.402(e) (**Item 1**), Respondent must perform a hazard assessment and risk evaluation associated with an adequate emergency response at the Dorsey Junction facility. Based on the results, Respondent must develop and implement procedures as part of emergency response operations at Dorsey Junction, including identifying any company personnel, outside entities, equipment, instruments, tools, and materials for emergency response operations located onsite or offsite, and identifying the names and phone numbers of any outside entities which Respondent might call upon to provide such resources in the event of an emergency. Respondent must complete this assessment and evaluation within 60 days of receipt of this Final Order.
2. Respondent must revise any related procedures within 120 days of receipt of this Final Order.
3. Respondent must make any related arrangements with outside entities within 180 days of receipt of this Final Order.
4. Respondent must provide documentation demonstrating completion of the above items directly to the Director by the deadlines specified.
5. The Director requests that Colonial maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order. It is requested that these costs be reported to the Director in two categories: 1) total cost associated with preparation/revision of plans, procedures, studies, and analyses; and 2) total cost associated with replacements, additions, and other changes to pipeline infrastructure.

The Director may grant an extension of time to comply with any of the required items upon a written request timely submitted by the Respondent and demonstrating good cause for an extension.

Failure to comply with this Order may result in the administrative assessment of civil penalties not to exceed \$100,000 for each violation for each day the violation continues or in referral to the Attorney General for appropriate relief in a district court of the United States.

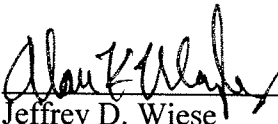
WARNING ITEM

With respect to Item 2, the Notice alleged a probable violation of Part 195 but did not propose a civil penalty or compliance order for this item. Therefore, this is considered to be a warning item. The warning was for:

49 C.F.R. § 195.402(a) (**Item 2**) — Respondent’s alleged failure to follow its manual of written procedures for conducting normal O&M activities, specifically its failure to follow its O&M manual procedures for documenting atmospheric corrosion inspections. Respondent was using an old form to document atmospheric corrosion inspections rather than the currently required *Atmospheric Inspection E-Form*.

Colonial presented information in its Response showing that it had taken certain actions to address the cited item. If OPS finds a violation of this provision, Respondent may be subject to future enforcement action.

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

for: 

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

MAY 24 2012

Date Issued