



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 PROBABLE VIOLATION
and
PROPOSED COMPLIANCE ORDER**

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

September 21, 2011

Tim Felt
President and Chief Executive Officer
Colonial Pipeline Company
1185 Sanctuary Parkway, Suite 100
Alpharetta, GA 30009-7608

CPF 1-2011-5007

Dear Mr. Felt:

From October 26 to 29, 2010, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Colonial Pipeline Company's (Colonial) Dorsey Junction Facility in Woodbine, Maryland.

As a result of the inspection, it appears that you have committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violations are:

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 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;

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

Colonial would be unable to ensure a prompt and adequate response to the scene of a larger emergency.

During the inspection, a field review of Dorsey Junction facility was performed. It was observed that the facility was equipped with handheld firefighting equipment and a fire pump capable of fighting small fires only. Colonial's emergency procedure requirements depicted the equipment observed at the facility; however, it was clear that the equipment onsite would not be adequate in response to a large fire (e.g. breakout tank fire). Statements from Colonial's personnel on site indicated that Colonial coordinated an emergency response plan with the local fire department and, as such, Colonial depended on the local fire department to provide personnel, equipment and materials needed to support emergency conditions involving a large fire. However, Colonial did not provide any documentation to demonstrate that communication and any agreement between itself and the local fire department regarding personnel, equipment and materials that would be required to fight a large fire.

Based on the fact that there are thirty (30) Breakout Tanks at the facility and a lack of adequate documented emergency resources, Colonial would be unable to ensure a prompt and adequate response to the scene of a larger emergency.

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 commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.

Colonial failed to follow *CPP-FP-ACI-01, Rev 7, 6/15/2010* of its Operation and Maintenance Manual (O&M) requiring that atmospheric corrosion inspections be documented on *Atmospheric Inspection E-Form*. At the time of the inspection, Colonial was still utilizing its prior *Form 3354* and the coating manufacturer (Carboline) report to document atmospheric corrosion inspections rather than the currently required *Atmospheric Inspection E-Form*. Colonial's personnel indicated that the *Atmospheric Inspection E-Form* would be employed in the year 2011.

Proposed Compliance Order

With respect to item 1, pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Colonial. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

Warning Items

With respect to item 2, we have reviewed the circumstances and supporting documents involved in this case and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to promptly correct this item. Be advised that failure to do so may result in Colonial being subject to additional enforcement action.

Response to this Notice

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.

In your correspondence on this matter, please refer to **CPF 1-2011-5007** and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

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

Enclosures: *Proposed Compliance Order*
Response Options for Pipeline Operators in Compliance Proceedings

PROPOSED COMPLIANCE ORDER

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to Colonial Pipeline Company (Colonial) a Compliance Order incorporating the following remedial requirements to ensure the compliance of Colonial with the pipeline safety regulations:

1. In regard to Item Number 1 of the Notice, Colonial must perform a hazard assessment and risk evaluation associated with an adequate emergency response at the Dorsey Junction facility. Based on the results, Colonial must develop and implement procedures as part of emergency response operations at Dorsey Junction which should include, but not limited to:
 - Identifying any company personnel, outside entities, equipment, instruments, tools and material for emergency response operations located either onsite and/or offsite.
 - Names and phone numbers listing of any outside entities with which Colonial has established an arrangement that will be called upon to provide personnel, equipment, instruments, tools and possibly materials in the event of an emergency.
2. As described above, Colonial must complete a hazard assessment and risk evaluation within 60 days after receipt of a Final Order.
3. Revise any related procedures within 90 days after receipt of a Final Order
4. Establish any necessary arrangement with outside response entities within 120 days after receipt of a Final Order.
5. Provide documentation to demonstrate the fulfillment of items 1-4 directly above to the Director, Eastern Region, Pipeline and Hazardous Materials Safety Administration, 820 Bear Tavern Rd, Suite 103, West Trenton, NJ 08628.
6. It is requested (not mandated) that Colonial maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to the Director, Eastern Region, Pipeline and Hazardous Materials Safety Administration. It is requested that these costs be reported 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.