



# Colonial Pipeline Company

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December 21, 2011

Mr. Byron Coy, PE  
Director, Eastern Region  
Pipeline and Hazardous Materials Safety Administration  
820 Bear Tavern Road, Suite 103  
West Trenton, NJ 08628

Subject: Colonial Response to Notice of Probable Violation and Proposed Compliance Order  
CPF No. 1-2011-5007

Dear Mr. Coy:

This letter is Colonial Pipeline Company's ("Colonial's") written response to PHSMA's Notice of Probable Violation and Proposed Compliance Order CPF No. 1-2011-5007 (the "Notice"), dated September 21, 2011 and received by Colonial on September 22, 2011, relating to an inspection of Colonial's Dorsey Junction Facility in Woodbine, Maryland from October 26 to 29, 2010 pursuant to Chapter 601 of 49 United States Code.

The Notice provides that Colonial must notify the Regional Director that we either agree to take the steps in the proposed compliance order, and/or submit written explanations, information, or other materials in answer to the allegations in the Notice, and/or contest the proposed compliance order in whole or part, and/or to request a hearing.

The Notice also allows Colonial to request within 30 days of receipt an extension of time to prepare an appropriate response, which may be granted at the agency's discretion. Colonial submitted a letter dated October 17, 2011 requesting an extension of 60 additional days to prepare an appropriate response due to the timing, nature and significance of the Proposed Compliance Order.

On October 24, 2011 the Director, Eastern Region, Pipeline and Hazardous Materials Safety Administration (PHMSA) acknowledged receipt and found acceptable Colonial's letter requesting an extension of 60 days from the response due date (October 22, 2011) to prepare an appropriate response, thereby allowing a response by December 22, 2011. Accordingly, this response is timely.

## **Notice of Probable Violation Allegations and Colonial's Responses**

In sum, although Colonial does not contest the allegations set forth in the Notice, Colonial does object to several of the time frames set forth in the Proposed Compliance Order. Colonial is objecting to the requirements in the Proposed Compliance Order to revise any related procedures within 90 days after receipt of a Final Order (Item 3), and to establish any necessary arrangement with outside response entities within 120 days after receipt of a Final Order (Item 4).

Set out below is Colonial's response to the allegations set forth in the Notice. The text of the Notice is shown below in italics, immediately followed by Colonial's response:

*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.

**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.

*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.*

#### **Colonial Response:**

Colonial is dedicated to the protection of its employees, contractors, and the public from emergencies such as a large fire at the Dorsey Junction, MD tank farm. Colonial's Emergency Action Plan provides a written document detailing and organizing the actions and procedures to be followed by employees in case of a workplace emergency. Colonial employees are trained to respond to incipient fires and are trained to follow evacuation procedures if an emergency might threaten human health. Colonial's emergency response plans include notification flow charts that include internal notifications as well as external notifications to key emergency response agencies such as fire, police and other emergency management agencies. Colonial also has completed significant liaison work with emergency response officials that would respond to a large fire at Dorsey Junction.

Proposed Compliance Order: Item 1 and Item 2. Colonial is working on an improved fire protection plan for the Dorsey Junction facility including the breakout tank farm. The improved plan is being revised with input from local emergency response agencies and industry firefighting experts. Accordingly, Colonial does not object to formalizing and advancing this effort by performing a hazard assessment and risk evaluation within 60 days after receipt of a Final Order.

Colonial recognizes that the hazard assessment and risk evaluation may indicate that it may be beneficial to consider significant, additional infrastructure improvements at Dorsey Junction. Colonial considers such improvements, however, as well as their relating implementing procedure revisions, to be outside the scope of the Proposed Compliance Order and will pursue them, if appropriate, independently of the Proposed Compliance Order.

Proposed Compliance Order: Item 3. Colonial objects to the timeframe imposed in Item 3 of the Proposed Compliance Order. Item 3 currently requires Colonial to revise any related procedures within 90 days after receipt of a Final Order. Since any revisions needed will not be known until completion of the hazard assessment and risk evaluation, the Proposed Compliance Order allows only 30 days for procedure revisions following completion of the hazard assessment and risk evaluation. A 30 day timeline is not adequate for a proper management of change process. Colonial believes an adequate time period to effectuate any procedure revisions is 60 days following completion of the hazard assessment and risk evaluation.

Accordingly, Colonial believes Item 3 of the Proposed Compliance Order should be modified to provide the following: "Revise any related procedures within 120 days after receipt of a Final Order".

Proposed Compliance Order: Item 4. Colonial also objects to the timeframe imposed in Item 4 of the Proposed Compliance Order. Item 4 currently requires Colonial to establish any necessary arrangement with outside response entities within 120 days after receipt of a Final Order. As noted above relating to Item 3, Colonial believes it should have until 120 days after receipt of the Final Order to revise any related procedures. Accordingly, Colonial believes the time frame for Item 4, to establish any necessary arrangement with outside response entities, should be extended to 30 days following the Item 3 timeframe, or, in other words, until 150 days after receipt of the Final Order.

Accordingly, Colonial believes Item 4 of the Proposed Compliance Order should be modified to provide the following: "Establish any necessary arrangement with outside response entities within 150 days after receipt of a Final Order".

Proposed Compliance Order: Items 5 and Item 6. Colonial has no objections to these items.

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.*

**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.*

**Colonial Response:**

Colonial acknowledges that the plan to use an on-line report (E-Form) to document atmospheric corrosion inspections was delayed due to technical difficulties. Colonial has corrected this item as requested by PHMSA by implementing the on-line reporting application.

If you should have any questions concerning this response, please feel free to contact me or Mac Taylor at 678-762-2872.

Respectfully,



Doug Belden  
Vice President and General Manager - Operations

cc: T. C. Felt  
G. A. Beck  
A. D. Kolar  
R. O. Barbeault  
M. M. Lackey  
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