

**NOTICE OF PROBABLE VIOLATION
AND
PROPOSED COMPLIANCE ORDER**

OVERNIGHT EXPRESS DELIVERY

July 12, 2016

Mr. Tim Felt
President and CEO
Colonial Pipeline Co.
1185 Sanctuary Parkway, Suite 100
Alpharetta, GA 30004-4738

CPF 1-2016-5006

Dear Mr. Felt:

During the period of November 17, 2014 through December 29, 2014, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Colonial Pipeline Co.'s (CPL) Control Room facility in Linden, New Jersey.

As a result of the inspection, it appears that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The item inspected and the probable violation(s) are:

1. §195.446 Control room management.

(a) General. This section applies to each operator of a pipeline facility with a controller working in a control room who monitors and controls all or part of a pipeline facility through a SCADA system. Each operator must have and follow written control room management procedures that implement the requirements of this section. The procedures required by this section must be integrated, as appropriate, with the operator's written procedures required by § 195.402. An operator must develop the procedures no later than August 1, 2011, and must implement the procedures according to the following schedule. The procedures required by paragraphs (b), (c)(5), (d)(2) and (d)(3), (f) and (g) of this section must be implemented no later than October 1, 2011. The procedures required by paragraphs (c)(1) through (4), (d)(1), (d)(4), and (e) must be implemented no later than August 1,

2012. The training procedures required by paragraph (h) must be implemented no later than August 1, 2012, except that any training required by another paragraph of this section must be implemented no later than the deadline for that paragraph.

CPL failed to implement the training procedure required by §195.446(h) no later than August 1, 2012, as prescribed in §195.446(a). Pursuant to §195.446(h), an operator must have a training procedure that specifies it will, at minimum, review its training program content to identify potential improvements at least once each year, but at intervals not to exceed 15 months. CPL could not demonstrate that it conducted a review of its training program by November 1, 2013.

During this inspection, the PHMSA inspector requested CPL to provide a copy of records for the Linden Control Room that shows it reviewed its training procedure prior to November 1, 2013.

Following the inspection, CPL responded to the PHMSA inspector's earlier request for said records by e-mail on December 29, 2014. The December 29, 2014 e-mail included the following attachments: *2013 Assessment Colonial Pipeline Controller Training Analysis Report*, *2014 Site Specific Annual Training Assessment – Linden*, and *2014 CRM Training Assessment sign-off sheet*.

First, the *2013 Assessment Colonial Pipeline Controller Training Analysis Report* contains some guidance on how to analyze a training program, and then references controllers at the central control room, located in Alpharetta, Georgia. It is unclear whether or not this applies to the training program for all control rooms, including the Linden Control Room.

Second, the *2014 Site Specific Annual Training Assessment - Linden* is dated December 9, 2014, which is more than 15 months after the August 1, 2012 implementation deadline. Furthermore, the *2014 Site Specific Annual Training Assessment – Linden* lacks details about the materials that were reviewed to evaluate the training program, and how it was determined that the training procedures were “acceptable.”

Finally, the *2014 CRM Training Assessment sign-off sheet* is dated October 13, 2014. This record further annotates the review of the training program was more than 15 months after the August 1, 2012 implementation deadline.

CPL did not provide any other documentation to show that it met the timeframe for the review of the training program for the Linden Control Room at least once each year, not to exceed 15 months, from the August 1, 2012 implementation deadline.

Proposed Compliance Order

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$200,000 per violation per day the violation persists up to a maximum of \$2,000,000 for a related series of violations. For violations occurring prior to January 4, 2012, the maximum penalty may not exceed \$100,000 per violation per day, with a maximum penalty not to exceed \$1,000,000 for a related series of violations.

I have reviewed the circumstances and supporting documents involved in this case, and have decided not to propose a civil penalty assessment at this time.

With respect to item(s) Number 1 pursuant to 49 United States Code § 60118, PHMSA proposes to issue a Compliance Order to Colonial Pipeline Co. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

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 1-2016-5006**, 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 Co. (CPL) a Compliance Order incorporating the following remedial requirements to ensure the compliance of CPL with the pipeline safety regulations:

1. In regard to Item Number 1 of the Notice pertaining to the Controller training, CPL must:
 - a. Conduct a review of the training program, as specifically applied at the Linden Control Room.
 - b. Create an assessment of the Linden Control Room training program.
 - c. If there are any refinements or additions identified, establish a timeline to implement refinements or additions.
 - d. Submit documentation relative to items a, b, and c above to the Director, Eastern Region within 120 days of receipt of the Final Order.
2. It is requested (not mandated) that Colonial Pipeline Company maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Byron coy , 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.