

**NOTICE OF PROBABLE VIOLATION
and
PROPOSED CIVIL PENALTY**

OVERNIGHT EXPRESS DELIVERY

April 27, 2017

Mr. John Somerhalder
Interim President and Chief Executive Officer
Colonial Pipeline Co.
1185 Sanctuary Parkway, Suite 100
Alpharetta, GA 30009-4765

CPF 1-2017-5013

Dear Mr. Somerhalder:

On June 07, 2016, a representative of Virginia State Corporation Commission acting as agents for the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code inspected your Cobbs Creek Relocation Project in Cumberland County, VA.

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

1. §195.202 Compliance with specifications or standards.

Each pipeline system must be constructed in accordance with comprehensive written specifications or standards that are consistent with the requirements of this part.

Colonial Pipeline (CPL) failed to construct each pipeline system in accordance with comprehensive written specifications or standards that are consistent with the requirements of this part. Specifically, CPL failed to follow its procedures for coating application on the main at 1617 Columbia Road near Cedar Plains Road in Cumberland County, VA.

During the inspection, conducted on March 30, 2016, the Virginia State Corporation Commission (VASCC) inspector witnessed the coating application of Specialty Polymer Coatings SP-2888 Brush Grade Coating on the weld joints of 32 and 36-inch diameter pipe that was being installed as part of the CPL Cobbs Creek Relocation Project.

In addition, the VASCC reviewed the following CPL Procedures and Coating Application Specifications:

1. CPL's Material & Equipment Specification MS-02.06 Specification for Field-applied Two-part Epoxy Coating, dated 1/18/2006 (*CPL Procedure*)
2. Special Polymer Coating (SPC) SP-2888 R.G. Brush Grade Application Specification Steel Substrate, effective May 26, 2008) (*Manufacturer's Specification*)

The *CPL procedure* states in part that:

1. Section 4. Materials: "The Company shall obtain from the coating manufacturer material safety data sheets (MSDS), certification of raw materials and directions for storage, handling, preparation, and application of the coating materials."
2. Section 8. Application of Coating: "The Company Representative shall observe component mixing and the material temperature prior to application to ensure the material is at the proper application temperature and has been adequately mixed."

The *Manufacturer's Specification* Section III Mixing Instructions Paragraph 3.1 states in part that:

- "Step #1 Pre-mix Part 'A' (Base) slowly with a variable speed drill fitted with a mixing impeller
- Step #2 Pour Part 'B' (Hardener) into Part 'A' (Base)...
- Step #3 Begin mixing slowly. After the initial mix has been achieved, a spatula or mixing stick should be used to remove any raw resin from the side of the container
- Step #4 Mix at a speed that ensures a uniform mix, but does not create a vortex in the liquid. Slow the mixer down at the surface of the liquid to prevent the introduction of air into the coating
- Step #5 The ideal mixing and application temperature is between 20°C (68°F) and 35°C (95°F)
- Step #6 Mix for one (1) minute at temperatures between 15°C (59°F) and 20°C (68°F), blending both parts to create one uniform colour with no streaks."

VASCC Inspector Field Observations:

1. CPL applied Special Polymer Coating SP-2888 Brush Grade to seven welds prior to the

VASCC inspector’s arrival. The coating had visible white streaks, indicating that the coating was not thoroughly mixed prior to application.

2. The coating application construction crew was mixing Special Polymer Coating SP-2888 Brush Grade by hand with a wooden paint paddle and applied the coating to the additional welds while the VASCC was on-site.

The VASCC inspector informed CPL that the coating was not mixed with the use of a variable speed drill fitted with a mixing impeller, as required by the *manufacturer’s specifications*. In CPL’s NOI Response to the VASCC dated April 22, 2016, CPL stated that they agreed that “the mixing method specified in the product specifications for mixing coating type SP-2888 is by mechanical means.” Subsequently CPL removed and recoated all coating in question.

Therefore, CPL failed to construct each pipeline system in accordance with comprehensive written specifications.

Proposed Civil Penalty

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$205,638 per violation per day the violation persists up to a maximum of \$2,056,380 for a related series of violations. For violations occurring between January 4, 2012 to August 1, 2016, the maximum penalty may not exceed \$200,000 per violation per day, with a maximum penalty not to exceed \$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 maximum penalty not to exceed \$1,000,000 for related series of violations. The Compliance Officer has reviewed the circumstances and supporting documentation involved in the above probable violation(s) and has recommended that you be preliminarily assessed a civil penalty of \$32,800 as follows:

<u>Item number</u>	<u>PENALTY</u>
1	\$32,800

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. All material submit in response to this enforcement action may be 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.

Please submit all correspondence in this matter to Robert Burrough, Acting Director, PHMSA Eastern Region, 820 Bear Tavern Road, Suite 103, West Trenton, NJ 08628. Please refer to **CPF 1-2017-5013** on each document you submit, and whenever possible provide a signed PDF

copy in electronic format. Smaller files may be emailed to robert.burrough@dot.gov. Larger files should be sent on a CD accompanied by the original paper copy to the Eastern Region Office.

Additionally, if you choose to respond to this (or any other case), please ensure that any response letter pertains solely to one CPF case number.

Sincerely,

Robert Burrough
Acting Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*

cc: Jim Fischer, VA SCC