

# Colonial Pipeline Company

**D. A. Belden**  
General Manager

Phone: (678) 762-2498  
Fax: (678) 762-2466  
E-mail: [dbelden@colpipe.com](mailto:dbelden@colpipe.com)

**VIA E-MAIL AND U.S. MAIL**

April 30, 2008

Mr. Mohammed Shoaib  
Acting Director, Southern Region  
Pipeline and Hazardous Materials Safety Administration  
Office of Pipeline Safety  
233 Peachtree Street, Suite 600  
Atlanta, Georgia 30303

Subject: Notice of Probable Violation and Proposed Civil Penalty  
CPF No. 2-2008-5005

Dear Mr. Shoaib:

This letter is in response to your Notice of Probable Violation and Proposed Civil Penalty CPF No. 2-2008-5005 (the "Notice") dated March 26, 2008 and received by Colonial on April 1, 2008 relating to an November/December 2007 inspection of Colonial's pipeline facilities in South Carolina, Georgia, and Tennessee and a review of records during that same time period at various Colonial locations, including offices at Austell, Chattahoochee, Ringgold, Belton, and Spartanburg.

The Notice provides that Colonial has 30 days from receipt of the Notice to submit written explanations, information, or other materials in response to the allegations and/or seek elimination or mitigation of the proposed civil penalty.

## **Notice Allegations and Colonial's Responses**

Set out below is Colonial's response to the allegations set forth in the Notice. Please note that with the exception of 4.A., Colonial is not disputing the allegations, and we are not requesting a Hearing. We do believe the penalty should be reduced, however, both because Item 4.A was not a violation, and because many of the other Items were corrected either at the time of the inspection or before the Notice was issued.

The text of the Notice is shown below in italics, immediately followed by Colonial's response:

*From November 27, 2007 to December 14, 2007, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your pipeline facilities in South Carolina, Georgia, and Tennessee, and reviewed records at various locations including offices at Austell, Chattahoochee, and Ringgold, GA, and Belton and Spartanburg, SC.*

*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. *§195.567 Which pipelines must have test leads and what must I do to install and maintain the leads?*

- (a) *General. Except for offshore pipelines, each buried or submerged pipeline or segment of pipeline under cathodic protection required by this subpart must have electrical test leads for external corrosion control ....*

*The pipeline does not have an electrical test lead for performing cathodic protection surveys.*

*A test lead has not been installed on Line 19, Milepost 1733+08. Annual cathodic protection survey records indicate the pipeline is normally "probed" to obtain the pipe-to-soil survey reading.*

Colonial Response:

Colonial has an ongoing corrosion control program in place to install and maintain test leads. A new test lead installation on Line 19, Milepost 1733+08 was completed on April 23, 2008.

2. §195.567 *Which pipelines must have test leads and what must I do to install and maintain the leads?*

*... (c) Maintenance. You must maintain the test lead wires in a condition that enables you to obtain electrical measurements to determine whether cathodic protection complies with §195.571.*

*Test lead wires were not maintained as required of §195.567(c).*

*Records indicate test lead wires were not maintained in a condition that would enable a person to determine the pipeline's cathodic protection status.*

*The following information is taken from cathodic protection survey records, and indicates test lead wire maintenance was inadequate.*

*A. Line 13, Milepost 635+73 Paces Ferry Rd.*

*10/05/05: no reading (remarks indicate bad test lead)*

*08/13/06: no reading, no remarks*

*08/29/06: 0v (remarks indicate test station not found)*

*11/07/07: -0.974v*

*B. Line 16, Milepost 1378+78 Hwy. 29.*

*08/30/04: no reading (remarks indicate no test station)*

*10/03/05: no reading, no remarks*

*08/26/06: -1.004v*

*C. Line 20, I-265 (East side) Milepost 6965+06*

*07/30/04: no reading (remarks indicate markers were present, but test station was not).*

*10/24/05: no reading (remarks indicate no test station was found)*

*12/12/06: -1.880v*

Colonial Response:

Colonial has an ongoing corrosion control program in place to install and maintain test leads. The sites listed above had been repaired at the time of the inspection.

3. §195.573 *What must I do to monitor external corrosion control?*

*(a) Protected pipelines. You must do the following to determine whether cathodic protection required by this subpart complies with §195.571:*

*(1) Conduct tests on the protected pipeline at least once each calendar year, but with intervals not exceeding 15 months ....*

Tests to determine whether cathodic protection complies with § 195.571 were not conducted at least once each calendar year, with intervals not exceeding 15 months.

The following information, taken from cathodic protection survey records, indicates tests were not conducted within the referenced time requirements.

A. Line 02, Milepost 1835+28 Ridge Road. Surveys were not performed in 2005 and 2006 calendar years.

07/08/04: -1.4v

09/16/05: 0v (remarks indicate test lead was not found)

07/24/06: 0v (remarks indicate test lead was not found)

08/06/07: -1.986v

B. Line 13, Milepost 635+73 Paces Ferry Rd. Surveys were not performed in 2005 and 2006 calendar years.

08/10/04: -0.915v

10/05/05: no reading (remarks indicate bad test lead)

08/13/06: no reading, no remarks

08/29/06: 0v (remarks indicate test station not found)

11/07/07: -0.974v

C. Line 15, Milepost 1124+23 Remington Dr. Survey was not performed in 2005 calendar year.

08/10/04: -1.1 v

10/05/05: no reading (remarks indicate test lead was not found)

08/12/06: no reading (remarks convey pipeline does not cross Remington)

08/29/06: -1.142v

D. Line 16, Milepost 1356+28 PPL Xing. Surveys were not performed in 2004, 2005, and 2006 calendar years.

08/25/04: no reading (remarks indicate vegetation overgrowth, unable to find)

10/03/05: 0v

08/27/06: no reading (remarks indicate test station not found)

11/10/07: -0.889v

E. Line 16, Milepost 1378+78 Hwy. 29. Surveys were not performed in 2004 and 2005 calendar years.

08/30/04: no reading (remarks indicate no test station)

10/03/05: no reading, no remarks

08/26/06: -1.004v

F. Line 19 Milepost 6801 +78 L&N Railroad spur. Surveys were not performed in 2005 and 2006 calendar years.

10/13/05: 0.000 (remarks indicate not found)

12/13/06: no reading (remarks indicate not found)

12/01/07: -1.369v

G. Line 19 Milepost 6582+50 Sewer Crossing. Survey was not performed in 2005 calendar year. The 15 month maximum time interval was exceeded in 2007 by at least 13 days (date of PHMSA inspection).

10/11/05: 0.000 (remarks indicate test station could not be found).

08/30/06: -1.022v

12/01/07: 0.000 (remarks indicate test station could not be found)

H. Line 20, 1-265 (East side) Milepost 6965+06. Surveys were not performed in 2004 and 2005 calendar years.

07/30/04: no reading (remarks indicate markers were present, but test station was not).

10/24/05: no reading (remarks indicate no test station was found)

12/12/06: -1.880v

I. Line 20 Milepost 10+72 Span. Records indicate this location was not surveyed in calendar year 2005.

J. Line 01, Milepost 1329+91 Rector Road. Survey was not performed in calendar year 2006. Surveys were conducted on March 4, 2005 and May 10, 2007.

K. Line 20: The maximum allowed 15 month time between the 2006 and 2007 surveys was exceeded at 22 test stations between Mileposts 3185+06 and 4474+09. Times exceeding the 15 month interval vary from 27 days to 56 days.

L. Sweetwater Pump Station surveys were performed on 08/08/06 and 11/16/07. The 15 month maximum time interval was exceeded by 8 days.

Colonial Response:

Colonial has an ongoing corrosion control program in place to conduct tests on the pipeline at least once each calendar year, with intervals not exceeding 15 months. Procedures related to the scheduling and the evaluation of the annual surveys have been reviewed, and improvements to the procedures are planned by August 1, 2008 in order to ensure that future tests are completed within the time requirements.

Tests were conducted in 2007 for the test points referenced above, except Item 3.G. For Item 3.G., we need to install a new test station at Line 19 Milepost 6582+50 Sewer Crossing. Once that is complete, we plan to conduct a test at this station (currently scheduled during the week of May 5-9, 2008).

4. §195.573 What must I do to monitor external corrosion control?

... (e) Corrective Action. You must correct any identified deficiency in corrosion control as required by §195.401(b). However, if the deficiency involves a pipeline in an integrity management program under §195.452, you must correct the deficiency as required by §195.452(h).

§195.401 General requirements.

(b) Whenever an operator discovers any condition that could adversely affect the safe operation of its pipeline system, it shall correct it within a reasonable time. However, if the condition is of such a nature that it presents an immediate hazard to persons or property, the operator may not operate the affected part of the system until it has corrected the unsafe condition.

Identified non-hazardous deficiencies discovered as a result of corrosion control surveys were not corrected within a reasonable time as required of §195.573(e). PHMSA generally considers a "reasonable time" to be the maximum time allowed between required annual cathodic protection surveys (15 months maximum from discovery of a deficient survey reading).

A. Line 02 Milepost 7833+46, Liberty Church Rd. Survey reading taken on 03/01/06 was deficient. The deficiency was corrected in approximately eighteen months.

03/01/06: -0.797v

03/22/07: -0.623v

A new cathodic protection system was completed on 08/25/07, new CIS performed 08/30/07.

B. Line 19 Mileposts 1078+35 Cochran Rd., 1141 +60 Woods Rd., and 1165+60 Fence. Survey readings taken on 07/16/04 were deficient. Records indicate the deficient conditions were not corrected until at least after 11/28/06 (28 + months from discovery). Survey readings for these three locations are listed below.

Cochran Rd.

07/16/04: -0.69v

09/09/05: -0.72v

11/28/06: -0.672v

09/18/07: -1.064v

Woods Rd

07/16/04: -.064v

09/09/05: -.0655v

11/28/06: -0.621v

09/18/07: -1.411v

Fence

07/16/04: -0.645v

09/09/05: -0.803v

11/30/06: -0.717v

09/19/07: -1.436v

C. Atlanta Junction breakout tanks. No documentation was provided indicating actions were taken to correct "low" cathodic protection survey readings, as indicated below, within a reasonable time.

Tank #333 Bottom

08/23/04: N side -0.528v, W side -0.559v.

11/22/05: N side -0.418v, W side -0.522v.

No documented survey 2006

12/06/07 Observed during inspection: N side -0.492v, W side -0.541v. No voltage on c.p. cable.

12/11/07: N side -0.858v, W side -0.949v.

Tank #334 Bottom

08/23/04: N side -0.394v, S side -0.480v, E side -0.302v, W side -0.445v.

11/22/05: N side -0.306v, S side -0.424v, E side -0.403v, W side -0.325v.

No documented survey 2006

12/06/07 Observed during inspection: N side -0.608v, S side -0.748v, E side -0.780v, W side -0.680v.

No voltage on c.p. cable.

12/11/07: N side -0.508v, S side -0.577v, E side -0.451v, W side -0.571v.

Tank #335 Bottom

08/23/04: W side -0.775v

11/22/05: W side -0.578v

No documented survey 2006

12/11/07: W side -0.953v

Tank #353 Bottom

11/22/05: N side -0.650v, S side -0.625v, E side -0.626v, W side -0.590v.

No documented survey 2006

12/06/07: Observed during inspection: W side -0.810v.

12/12/07: N side -0.890v, S side -0.980v, E side -1.012v, W side -0.828v.

Colonial Response:

Colonial has an ongoing corrosion control program in place that addresses test readings of cathodic protection levels that do not meet one or more of our criteria. Colonial adheres to the continuing use of successfully applied criteria on our pipeline system that is referenced in NACE International Standard RP 0169.

Response as to 4.A.

Colonial disputes the allegation that this item is a violation.

Colonial completed a close interval survey (CIS) of this line segment on 3/6/06, in addition to the annual survey, in order to properly evaluate the extent of the exception and help determine if a cathodic protection deficiency existed. Colonial also performed additional testing of existing rectifiers and ground beds that influence the area in order to determine the proper solution to the exception. Colonial's records indicate that a cathodic protection deficiency was discovered on 9/1/06, which is within the time allowed by 49 C.F.R. Part 195.452(h)(2).

An additional CP system was then designed and installed to remediate the deficient area by 8/25/07. Colonial believes this location was evaluated and repaired in a reasonable time fully consistent with OPS regulations.

Response as to 4.B.

Many areas are addressed each year but the time required to determine if a cathodic protection deficiency exists (discovery of a deficiency) and make repairs varies based on the conditions at each site. The timeline for correcting Item 4. B. Line 19 Mileposts 1078+35 Cochran Rd., 1141+60 Woods Rd., and 1165+60 Fence was extended primarily due to difficult, local site conditions and local permit requirements. This location had been remediated at the time of the inspection.

Response as to 4.C.

The Atlanta Junction breakout tanks listed above have been investigated and repairs have been completed for the deficient areas. Follow-up tests on April 2 and 3, 2008 showed that the cathodic protection levels meet Colonial's criteria. The corrective actions were completed on April 3, 2008.

5. *§195.589 What corrosion control information do I have to maintain?*

*(c) You must maintain a record of each analysis, check, demonstration, examination, inspection, investigation, review, survey, and test required by this subpart in sufficient detail to demonstrate the adequacy of corrosion control measures or that corrosion requiring control measures does not exist. You must retain these records for at least 5 years, except that records related to §§195.569, 195.573(a) and (b), and 195.579(b)(3) and (c) must be retained for as long as the pipeline remains in service.*

*Records required of §195.589(c) were not maintained.*

*Records of the 2006 annual survey of the Atlanta Junction breakout tank bottoms were not found. This survey is required of §195.573(a)(1) and §195.573(d). Work permits dated 12/19/06, 12/20/06, and 12/21/06, and the technician's statement were provided, indicating 2006 surveys were performed in the tank farm. There are 33 active breakout tanks at Atlanta Junction. Three were constructed in 2006.*

Colonial Response:

Colonial has instructions related to retaining corrosion control information and documents. An evaluation of needed improvements, if any, is planned by August 1, 2008 to ensure that records required by §195.589(c) are maintained.

### **Request for Mitigation of the Proposed Civil Penalty**

Colonial respectfully requests that PHSMA reconsider and reduce the amount of the proposed civil penalty, for the following reasons: (1) Item 4.A was not a violation, but consistent with OPS regulations concerning "discovery" of a condition and reasonable times for repair; and (2) many of the Items included in the Notice were corrected either at the time of the inspection, or before the Notice was issued. OPS regulations state that the Agency should consider "any good faith by the Respondent in attempting to achieve compliance," in determining the appropriate amount of a penalty under the regulations. 49 C.F.R. Part 190.225(a)(5). Colonial has demonstrated good faith in this instance, by correcting deficiencies even before the inspection, and before the Notice was issued.

For all these reasons, Colonial believes a reduction of the proposed civil penalty is justified. Colonial hopes that its responses to the allegations and the measures that Colonial has taken will be considered by PHMSA as a basis for reducing the proposed penalty.

If you should have any questions concerning any of the information contained herein, please feel free to contact me.

Respectfully,



Doug Belden  
General Manager

cc: N. J. Szydlowski  
J. D. Lee  
R. W. West  
M. N. Cutting  
K. S. Barimo  
T. G. Wright  
C. P. Sims  
R. G. Tucker  
A. M. Taylor  
D. V. Pearson