

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

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

December 15, 2020

Mr. Joseph Blount
President & Chief Executive Officer
Colonial Pipeline Company
1185 Sanctuary Parkway
Suite 100
Alpharetta, GA 30009

CPF 2-2020-5001

Dear Mr. Blount:

Between January 14, 2019, and February 7, 2020, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) inspected Colonial Pipeline Company (Colonial) procedures, records, and field locations for its pipeline system located in Alabama, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, and Texas, pursuant to Chapter 601 of 49 United States Code (U.S.C.).

As a result of the inspection, it is alleged that Colonial has committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The items inspected and the probable violations are:

1. § 195.61 National Pipeline Mapping System.

(a)

(b) This information must be submitted each year, on or before June 15, representing assets as of December 31 of the previous year. If no changes have occurred since the previous year’s submission, the operator must refer to the information provided in the NPMS Operator Standards manual available at www.npms.phmsa.dot.gov or contact the PHMSA Geographic Information Systems Manager at (202) 366–4595.

Colonial failed to comply with the regulation because Colonial did not submit, on or before June 15, information required by § 195.61(a) representing its assets as of December 31 of the previous year. Specifically, Colonial submitted geospatial data, attributes, metadata and transmittal letter appropriate for use in the NPMS representing its assets as of end of calendar year 2017 on July 1, 2018, exceeding the June 15th deadline by sixteen (16) days.

2. § 195.262 Pumping equipment.

(a) ...

(b) The following must be provided in each pump station:

(1) ...

(2) A device for the emergency shutdown of each pumping station.

Colonial failed to comply with the regulation because it did not provide a device for the emergency shutdown (“ESD”) of each pump station.

During the on-site inspection of Colonial’s Kola Pump Station (“Kola Station”), PHMSA inspectors were unable to locate an ESD for the station. Colonial personnel informed PHMSA that the Kola Station does not have an ESD. Colonial stated that, in the event that an emergency shutdown is necessary, a shutdown process has to be initiated by contacting a controller in Colonial’s control room.

3. § 195.412 Inspection of rights-of-way and crossings under navigable waters.

(a) ...

(b) Except for offshore pipelines, each operator shall, at intervals not exceeding 5 years, inspect each crossing under a navigable waterway to determine the condition of the crossing.

Colonial failed to comply with the regulation because it did not, at intervals not exceeding 5 years, inspect each crossing under a navigable waterway to determine the condition of the crossing. Specifically, PHMSA’s review of records documenting navigable waterway inspections revealed that Colonial exceeded the 5-year maximum inspection interval of multiple navigable waterways as detailed below:

Navigable Waterway	Line Number(s)	Previous Inspection Month	Compliance Deadline Month	Actual Inspection Month	Months Exceeding Compliance Deadline
Cumberland River	19 662-3 664-2	7/2012	7/2017	12/2017	5
Hiawassee River	18	2/2012	2/2017	12/2017	10
Savannah River	763-21BS	5/2012	5/2017	4/2018	11
Tennessee River	18 19 20	8/2012	8/2017	12/2017	4
Tennessee River	18S	7/2012	7/2017	12/2017	5

4. **§ 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. However, this requirement does not apply until December 27, 2004 to pipelines or pipeline segments on which test leads were not required by regulations in effect before January 28, 2002.

(b)

(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.

Colonial failed to comply with the regulation because it did not maintain test lead wires in a condition which enabled Colonial to obtain electrical measurements to determine whether cathodic protection complied with § 195.571 for its Line 17S from Atlanta to Bainbridge, Georgia.

Colonial classified Line 17S as “Out-of-service Idled” which is isolated from other lines, does not have any product, filled with inert material, and is disconnected from product sources. Further, segments of Line 17S are physically cut-out to accommodate a local DOT project near Bear Creek.

During PHMSA’s inspection, Colonial provided a copy of a letter, dated January 7, 2009, titled *Subject: Status of Colonial Line 17S, 8.625 inch OD pipeline section in Georgia*, that Colonial stated was previously sent to PHMSA. Colonial stated this letter was sent to notify PHMSA that the status of Colonial’s Line 17S was “out-of-service.” The referenced letter stated, in part, that the line was “not operated and maintained in accordance with all Colonial specifications and procedures or all PHMSA regulations applicable to In Service Active or In Service Idled lines.” The letter also stated that “the 8[-inch] pipeline is currently maintained at minimal levels and a suitable means of identifying the line’s location, such as markers or benchmarks, are being maintained.”

PHMSA does not recognize “idle” or out of service” pipeline status. Idle pipelines are subject to the pipeline safety regulations, including § 195.567(c), absent a special permit issued pursuant to § 190.341. At the time of PHMSA’s inspection, Colonial had not provided PHMSA any records to demonstrate that why test station maintenance on Line 17S was impractical. Nor did Colonial request a waiver of the Federal pipeline safety regulations, including Subpart H – Corrosion Control, for its Line 17S.

Proposed Compliance Order

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$218,647 per violation per day the violation persists, up to a maximum of \$2,186,465 for a related series of violations. For violation occurring on or after November 27, 2018, and before July 31, 2019, the maximum penalty may not exceed \$213,268 per violation per day, with a maximum penalty not to exceed \$2,132,679. For violation occurring on or after November 2, 2015, and before November 27, 2018, the maximum penalty may not exceed \$209,002 per violation per day, with a maximum penalty not to exceed \$2,090,022. For violations occurring prior to November 2, 2015, 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.

We 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 2 pursuant to 49 U.S.C. § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Colonial Pipeline Company. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

Warning Items

With respect to Items: 1, 3, and 4, 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 these items. Failure to do so may result in additional enforcement action.

Response to this Notice

Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Enforcement 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).

Following the receipt of this Notice, you have 30 days to submit written comments, or request a hearing under 49 CFR § 190.211. 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. If you are responding to this Notice, we propose that you submit your correspondence to my office within 30 days from receipt of this Notice. This period may be extended by written request for good cause.

In your correspondence on this matter, please refer to **CPF 2-2020-5001** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

James A. Urisko
Director, Office of Pipeline Safety
PHMSA Southern Region

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

PROPOSED COMPLIANCE ORDER

Pursuant to 49 U.S.C. § 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:

- A In regard to Item 2 of the Notice pertaining to Colonial not providing a device for the emergency shutdown (ESD) at its Kola Pump Station, Colonial must:
 - 1. Develop a plan for installation of an ESD device at Kola Pump Station within 90 days of receipt of the Final Order.
 - 2. Submit for approval to the Director, Office of Pipeline Safety, PHMSA Southern Region (Director), within 90 days of receipt of the Final Order, the plan(s) developed as a requirement of Proposed Compliance Order (PCO) Item A.1.
 - 3. Within 90 days of receipt of approval of items submitted per Item A.2. above, commence and complete installation of the ESD device at Kola Pump Station.
 - 4. Submit to the Director, within 30 days of completion of actions required by Item A.3. above, written certification that the installation of the ESD device at Kola Pump Station has been completed.

- B In further regard to Item 2 of the Notice pertaining to Colonial not providing a device for the emergency shutdown (ESD) at its Kola Pump Station, Colonial must:
 - 1. Within 60 days of receipt of the Final Order, conduct a review of all pump stations to identify any other such stations subject to the regulatory requirement which do not have an ESD device installed.
 - 2. Submit to the Director, within 90 days of receipt of the Final Order, written certification that the review required by Item B.1. has been completed.

- C 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 Director, PHMSA Southern Region. 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.