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February 12, 2021

By Electronic Mail

Mr. James Urisko
Director, Southern Region
Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration
Suite 600
233 Peachtree Street N.E.
Atlanta, GA 30303

RE: Colonial Pipeline Company
CPF No. 2-2020-5001
Response, Request for Settlement Conference, and Hearing Request

Dear Director Urisko:

On December 15, 2020, Colonial Pipeline Company (Colonial or the Company) received the above referenced Notice of Probable Violation (NOPV) and Proposed Compliance Order (PCO) issued by the Pipeline and Hazardous Materials Safety Administration (PHMSA). PHMSA issued the NOPV following an integrated inspection that it conducted between January 14, 2019 and February 7, 2020. The NOPV alleges four probable violations, three of which the Company does not contest (Items 1, 3 and 4) and one of which Colonial believes is unwarranted (Item 2). PHMSA agreed to extend the time to respond to the NOPV until February 13, 2021. As such, this letter responds to all four Items and requests a settlement conference to discuss Item 2. To preserve its rights, Colonial also requests a hearing in the event the parties are unable to resolve Item 2, pursuant to 49 C.F.R. §§ 190.208(a)(4) and 190.211.

Item 2 alleges that Colonial did not provide a device for the emergency shutdown of its Kola, Mississippi pumping station as required by PHMSA construction standard 49 C.F.R. § 195.262(b)(2). As explained further below, Colonial does in fact have a device that provides for emergency shutdown of the pumping stations at the Kola facility and believes that no violation of 49 C.F.R. § 195.262(b)(2) exists. Given the nature of the singular issue involved, Colonial believes that the parties can achieve resolution of this issue without resort to a hearing. As such, Colonial respectfully requests that PHMSA delay the scheduling of a hearing to allow the PHMSA Southern Region and Colonial sufficient time to convene a settlement meeting as provided by Section 108(b)(1)(B) of the Protecting our Infrastructure of Pipelines and Enhancing Safety (PIPES) Act of 2020 and consistent with PHMSA policy.

In the unlikely event that the parties are unable to resolve the matter, Colonial is timely filing this response as to all Items, and statement of issues and request for hearing as to NOPV Item 2 in order to preserve its rights.

Response to Contested NOPV Item 2

Item 2

PHMSA Allegation

§ 195.262 Pumping Equipment.

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

(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.

Colonial Response and Statement of Issues

Colonial takes its commitment to pipeline safety and regulatory compliance seriously, and the Company is committed to ensuring that responses to emergency conditions on its pipeline system are addressed effectively and safely. Colonial has detailed procedures and training programs that relate to responding to emergency conditions, including emergencies at its pumping stations. Along those lines, the Kola facility includes devices that provide for a full shutdown of each of the two separate pumping stations during emergency conditions (one pump station exists for each Colonial mainline segment, Line 1 and Line 2).

For each pumping station at the Kola facility, Colonial has designated “Main Breaker Trip” devices to provide for a full shutdown and isolation of the stations from the mainline pipeline systems in compliance with 49 C.F.R. § 195.262(b)(2). The Main Breaker Trip is identified in Colonial procedures as a means to resolve potential abnormal or emergency conditions such as a runaway unit or if the booster station protection system fails to operate as stated in Abnormal Operating Procedure AOP-CC-J51 – Failure of a Safety Device. The Main Breaker Trip is also activated in non-emergency situations, such as to perform inspections, monitoring, or maintenance activity at the Kola facility.

The following events will occur when a Main Breaker Trip is activated:

1. Mainline Block Valve sent open command;
2. All pumping stations/units shutdown; and
3. Both the station suction and discharge valves sent closed.

The Main Breaker Trip devices exist at all of Colonial’s pump stations and are subject to regular maintenance. In addition, the Alpharetta Controllers have a HMI Main Breaker Trip command. Further, Colonial’s internal annual training programs include training on the

functions of Main Breaker Trip devices and the impacts associated with engaging the device for affected personnel (primarily operators/controllers and technicians).

Where possible, the Control Room should be notified when a Main Breaker Trip is engaged. The notification provides for a controlled shutdown to avoid exacerbating conditions that could be created due to a rapid closure of the station valves and complete loss of power. Activating the Main Breaker Trip at a station without prior notification to the Control Room triggers an abnormal operating condition and the Control Room operators manage the effects of the pumping station shutdown to minimize impacts on the pipeline system (in a similar manner to a power failure and or loss of booster station).

Unlike natural gas compressor stations, liquid pump stations cannot vent to the atmosphere. The upstream and downstream pressure transients have to be managed, relief system activation is likely to occur, and only the Control Room can make line adjustments to correct the pressure transients created from losing a booster station. As such, Colonial's preference is to notify the Control Room prior to activating a Main Breaker Trip, but it is not required. All Abnormal Operating and Emergency Operating Procedures developed by Colonial include a controlled shutdown when an abnormal or emergency condition is identified or suspected.

The matter of a device for emergency shutdown at the Kola facility was discussed with PHMSA representatives during the integrated inspection. Discussion focused on what constitutes an "ESD" and whether there should be a process associated with the activation of the device. In retrospect, it was not well understood by Colonial representatives during the inspection of the Kola facility that PHMSA was inquiring about an emergency shutdown device that was limited to the pump station; rather, Colonial representatives misunderstood the inspector to be asking about the ability to shut down the entire pipeline system. Further, the use of the "ESD" terminology was unusual to Colonial representatives as that term is typically used in connection with natural gas pipeline operations and Colonial refers to this device as a "Main Breaker Trip."

Colonial's Main Breaker Trip device is indeed the device that provides for the emergency shutdown of the pumping station consistent with the plain language of 49 C.F.R. § 195.262(b)(2). Colonial does not specifically refer to its Main Breaker Trip devices as "Emergency Shutdown Devices" because the devices are also used for station shutdowns to perform inspections, monitoring, and maintenance activity at the Kola facility.

For these reasons, the alleged violation in Item 2 has no basis in law or fact, and it should be withdrawn along with the associated PCO.

Response to Uncontested NOPV Items 1, 3 and 4

Colonial is not contesting NOPV Items 1, 3, or 4, and has already taken measures to address those alleged violations, although the Company neither admits nor denies the underlying allegations. More explanation is provided below.

Item 1

PHMSA Allegation

§ 195.61 National Pipeline Mapping System

(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.

Colonial Response

Colonial acknowledges that the NPMS annual report for calendar year 2017 was submitted 16 days after the June 15, 2018 deadline. Colonial has modified its internal systems of record to ensure that future NPMS annual reports will be submitted no later than June 15 of each calendar year.

Item 3

PHMSA Allegation

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

(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

Colonial Response

These re-inspection intervals were exceeded due to the need for Colonial to engage a new contractor to conduct the work. The hydrographic surveys were promptly implemented after identifying a qualified contractor to perform the surveys and confirming that all appropriate certifications to perform the work were approved. Colonial has modified its internal processes and systems of record to ensure that future hydrographic surveys are completed at intervals not exceeding 5 years.

Item 4

PHMSA Allegation

§ 195.567 Which pipelines must have test leads and what must 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 01) 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.

Colonial Response

Colonial continues to apply preventive and mitigative measures on Line 17S, including maintaining cathodic protection (CP) and routine aerial patrol pursuant to 49 C.F.R. Part 195 requirements. These measures are consistent with PHMSA Advisory Bulletin ADB-2016-05.¹ PHMSA acknowledges in this Advisory that idled or inactive pipelines that have been purged of hazardous liquids and isolated from service represent a manageable level of risk, that it is unlikely that these assets represent a significant threat to pipeline integrity, and therefore some of the standard integrity program measures may be deferred. Some segments of Line 17S may not have CP applied where sections were removed or abandoned due to relocations, as several projects have been implemented that have required segments of the line to be removed to accommodate road construction and other work in the vicinity of the line. As mentioned above, however, Colonial continues to apply preventive and mitigative measures on these Line 17S segments.

Summary

Colonial takes its commitment to pipeline safety compliance seriously. To that end, and without admitting or denying the allegations in the NOPV, the Company is not contesting NOPV Items 1, 3, and 4, and Colonial has already taken actions to address those allegations through correspondence with PHMSA during and following the integrated inspection, as described above.

With respect to NOPV Item 2, Colonial respectfully requests that PHMSA withdraw it and the associated PCO in their entirety for the reasons stated above. Colonial believes that this issue is capable of resolution without resort to a hearing and the Company respectfully requests a settlement

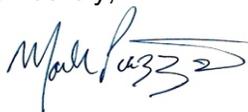
¹ Consistent with Advisory Bulletin ADB-2016-05, the PIPES Act of 2020 includes a requirement that PHMSA issue a rulemaking to establish an idled pipeline operating status and applicable safety requirements within two years of the execution of the PIPES Act (see Section 109 of the PIPES Act of 2020, Pipeline Operating Status). The language in this section of the Act is consistent with the measures that have been taken by Colonial to manage the conditions specific to Line 17S. Colonial will reassess its program after PHMSA issues new regulations that address pipeline operating status.

meeting for that purpose. In the event that agreement on this matter cannot be reached in a settlement meeting, however, Colonial requests a hearing under 49 C.F.R. § 190.211.

The Company appreciates the Agency's consideration of its request for a settlement meeting and delay in scheduling a hearing until the parties have had an opportunity to meet to discuss NOPV Item 2.

Please call me at (678) 763-5911 if you have any questions or to schedule a settlement conference.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Piazza", with a stylized flourish extending to the right.

Mark Piazza
Manager, Pipeline Compliance and R&D

cc: A. Kolar
D. Lohoff