



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

8701 South Gessner, Suite 1110
Houston, TX 77074

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

October 12, 2007

Mr. Norm Szydlowski
President and Chief Executive Officer
Colonial Pipeline Company
1185 Sanctuary Parkway, Suite 100
Alpharetta, GA 30009-4738

CPF 4-2007-5038M

Dear Mr. Szydlowski:

During the weeks of June 4th, 2007 and June 18th, 2007, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Colonial Pipeline Company (Colonial) procedures for the Hazardous Liquid Pipeline Integrity Management Program (IMP) in Alpharetta, Georgia.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within Colonial's plans or procedures, as described below:

1. **§195.452 Pipeline integrity management in high consequence areas**
 - (f) **What are the elements of an integrity management program? An integrity management program begins with the initial framework. An operator must continually change the program to reflect operating experience, conclusions drawn from results of the integrity assessments, and other maintenance and surveillance data, and evaluation of consequences of a failure on the high consequence area. An operator must include, at minimum, each of the following elements in its written integrity management program:**
 - (1) **A process for identifying which pipeline segments could affect a high consequence area**

Colonial must modify their IMP procedures to include processes for the use of local knowledge and information obtained from routine field activities (e.g., ROW surveillance,

aerial surveys) to supplement NPMS data in order to accurately reflect current conditions in the vicinity of the pipeline

2. §195.452 Pipeline integrity management in high consequence areas

(f) (See above)

(8) A process for review of integrity assessment results and information analysis by a person qualified to evaluate the results and information (see paragraph (h)(2) of this section).

(g) What is an information analysis? In periodically evaluating the integrity of each pipeline segment (paragraph (j) of this section), an operator must analyze all available information about the integrity of the entire pipeline and the consequences of a failure. This information includes:

(1) Information critical to determining the potential for, and preventing, damage due to excavation, including current and planned damage prevention activities, and development or planned development along the pipeline segment;

(2) Data gathered through the integrity assessment required under this section;

(3) Data gathered in conjunction with other inspections, tests, surveillance and patrols required by this Part, including, corrosion control monitoring and cathodic protection surveys; and

(4) Information about how a failure would affect the high consequence area, such as location of the water intake.

Colonial implements detailed data integration processes to assist in understanding their pipeline condition. However, Colonial must modify their IMP procedures to include a description of how the processes are to be implemented and what the outputs or deliverables from the processes are expected.

In regard to Items 1 and 2 listed above, Colonial provided finalized documentation via email to PHMSA on October 4, 2007 of various changes made to the IMP. After considering the material provided, PHMSA deemed the modifications adequate, and no further action is required in response to this Notice.

Response to this Notice

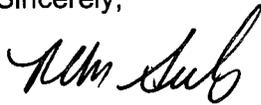
This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.237. Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Compliance Proceedings*. Please refer to this document and note the response options. Be advised that all material you submit 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.

If, after opportunity for a hearing, your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.237). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 30 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

In correspondence concerning this matter, please refer to **CPF 4-2007-5038M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

A handwritten signature in cursive script, appearing to read "R.M. Seeley".

R.M. Seeley
Director, Southwest Region
Pipeline and Hazardous
Materials Safety Administration

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