

NOTICE OF AMENDMENT

VIA ELECTRONIC MAIL TO: mlittle@colpipe.com; gfrazier@colpipe.com; dlanglev@colpipe.com

July 15, 2024

Ms. Melanie Little
President, Chief Executive Officer
Colonial Pipeline Company
P.O. Box 1624
Alpharetta, GA 30009-9934

CPF 2-2024-010-NOA

Dear Ms. Little:

From February 14, 2022, to February 17, 2023, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code (U.S.C.), inspected Colonial Pipeline Company's (Colonial) procedures, records, and facilities in New Jersey, Maryland, Texas, Georgia, Louisiana, North Carolina, Tennessee, Mississippi, South Carolina, Alabama, and New York.

As a result of the inspection, PHMSA has identified the apparent inadequacies found within Colonial's plans or procedures. The items inspected and the inadequacies are described below:

1. §195.452 Pipeline integrity management in high consequence areas

(a)

(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)

(5) A continual process of assessment and evaluation to maintain a pipeline's integrity (see paragraph (j) of this section)....

Colonial failed to meet 49 C.F.R. §195.452(f)(5) because it did not include in its written integrity management program a sufficient process of assessment and evaluation to maintain a pipeline's integrity using In-Line Inspection (ILI) assessments, pursuant to §§ 195.452(j)(5)(i) and 195.591. Specifically, Colonial did not specify which ILI tool analyst qualification levels, as described in ANSI/ANST ILI-PQ-2005, are required to analyze the ILI data.

49 C.F.R. § 195.591 specifically requires that *"When conducting in-line inspection of pipelines required by this part, each operator must comply with the requirements and recommendations of API Std 1163, Inline Inspection Systems Qualification Standard..."* API Standard 1163, Second Edition, April 2013 (API 1163), Annex C, Section C.1.13 states, *"In addition, the operator should also discuss analyst's qualifications (Level 1, Level 2, or Level 3) for whom should perform the analysis."* API 1163 references ANSI/ANST ILI-PQ-2005 in section 2.

Colonial's Integrity Management Program, Appendix L, titled ILI Technical Specification, last revised in 2018, prescribed the responsibilities of Colonial and in-line inspection vendors when conducting in-line inspection surveys of Colonial's pipelines. Section 5 of this document, titled "Personnel and Equipment Qualifications," specified that *"Personnel and equipment used to perform in-line inspections and analyze the results shall be qualified according to ASNT ILI-PQ, In-line Inspection Personnel Qualification and Certification."* No additional information was presented in this document that describes to which level those personnel must be qualified. The ANSI/ANST ILI-PQ-2005 standard does not prescribe minimum qualification levels for acceptance by operators.

2. § 195.452 Pipeline integrity management in high consequence areas.

(a)

(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)

(5) A continual process of assessment and evaluation to maintain a pipeline's integrity (see paragraph (j) of this section);

Colonial failed to meet 49 C.F.R. § 195.452(f)(5) because its procedures did not establish a continual process of assessment and evaluation to maintain a pipeline's integrity. Specifically, Colonial's procedures did not specify a means for how Colonial will "otherwise accept" an ILI tool run that did not meet the program's 100% of pipe wall inspection threshold.

Appendix L of Colonial's Integrity Management Program, titled "ILI Technical Specification," last revised in 2018, prescribed the responsibilities of Colonial personnel and in-line inspection vendors in conducting in-line inspection surveys of Colonial's pipelines. Section 9 of Appendix L, titled "Acceptance Criteria," specified that "Unless otherwise accepted by the COMPANY [Colonial], the inspection survey shall be deemed acceptable only when 100 percent of the pipe wall has been inspected and the data is sufficient to meet

the performance specification.” Colonial procedure(s) did not elaborate on what situations would be otherwise acceptable.

3. § 195.505 Qualification program.

Each operator shall have and follow a written qualification program. The program shall include provisions to:

(a)

(b) Ensure through evaluation that individuals performing covered tasks are qualified;

Colonial failed to meet 49 C.F.R. § 195.505(b) because its procedures are not adequate to ensure through evaluation that individuals performing covered tasks are qualified.

Colonial Procedure NOP-ROW-001, titled “Right-of-Way Procedure, Exposed Piping,” dated December 13, 2022, prescribed guidelines for response to unintentionally exposed pipe. This procedure did not require that personnel who examine exposed portions of buried pipelines are qualified to do so. This procedure also allowed personnel who are not qualified to conduct coating inspections to determine severity before the appropriate department (Corrosion Control) is notified of the exposure. Consequently, if an unqualified individual determines the coating is in “good” condition, no corrosion control measures are implemented.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.206. 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, revised procedures, or a request for a hearing under § 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 an Order Directing Amendment. If 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. § 190.206). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 90 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.

It is requested that Colonial Pipeline Company maintain documentation of the safety

improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to the Director, Southern Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 2-2024-010-NOA** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

James A. Urisko
Director, Southern Region
Pipeline and Hazardous Materials Safety Administration

Enclosure: Response Options for Pipeline Operators in Enforcement Proceedings