August 6, 2025

VIA ELECTRONIC MAIL TO: MLittle@colpipe.com

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

Re: CPF No. 2-2024-011-NOPV

Dear Ms. Little:

Enclosed please find the Final Order issued in the above-referenced case. It makes a finding of violation and assesses a civil penalty of $52,800. PHMSA acknowledges receipt of payment of the full penalty amount, by wire transfer, dated August 16, 2024. When the terms of the compliance order are completed, as determined by the Director, Southern Region, this enforcement action will be closed. Service of the Final Order by e-mail is effective upon the date of transmission and acknowledgement of receipt as provided under 49 CFR § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Linda Daugherty
Acting Associate Administrator
for Pipeline Safety

Enclosure
cc: James Urisko, Director, Southern Region, Office of Pipeline Safety
Adam Wolfe, Vice President, Operations, Colonial Pipeline Company,
awolfe@colpipe.com

Quintin Frazier, Director, Pipeline Compliance, Colonial Pipeline Company,
qfrazier@colpipe.com
Denise Langley, Senior Compliance Specialist, Colonial Pipeline Company,
dlangley@colpipe.com

CONFIRMATION OF RECEIPT REQUESTED

U.S. DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590

In the Matter of	)	
Colonial Pipeline Co.,	)	**CPF No. 2-2024-011-NOPV**
Respondent.	)	

FINAL ORDER

From February 14, 2022 through February 17, 2023, pursuant to 49 U.S.C. § 60117, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), conducted an on-site pipeline safety inspection of the facilities and records of Colonial Pipeline Company (Colonial or Respondent) in New Jersey, Maryland, Texas, Georgia, Louisiana, North Carolina, Tennessee, Mississippi, South Carolina, Alabama, and New York.

As a result of the inspection, the Director, Southern Region, OPS (Director), issued to Respondent, by letter dated June 18, 2024, a Notice of Probable Violation, Proposed Civil Penalty, and Proposed Compliance Order. On July 9, 2024, the Director issued to Respondent an Amended Notice of Probable Violation, Proposed Civil Penalty, and Proposed Compliance Order (Notice) which corrected certain discrepancies in the calculation of the proposed civil penalty. In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Colonial had violated 49 C.F.R. § 195.571, proposed assessing a civil penalty of $52,800 for the alleged violation, and proposed ordering Respondent to take certain measures to correct the alleged violation. The Notice also included an additional seven warning items pursuant to 49 C.F.R. § 190.205, which warned Respondent to correct the probable violations or face possible future enforcement action.

Colonial responded to the Notice by letter dated August 6, 2024 (Response). Colonial did not contest the allegation of violation, offered additional information in response to the Notice, and requested that one of the warning items be withdrawn. On August 16, 2024, Colonial paid the proposed civil penalty of $52,800.

FINDING OF VIOLATION

In its Response, Colonial did not contest the allegation in the Notice that it violated 49 CFR Part 195, as follows:

Item 1: The Notice alleged that Respondent violated 49 C.F.R. § 195.571, which states:

> **§ 195.571 What criteria must I use to determine the adequacy of cathodic protection?**
> Cathodic protection required by this subpart must comply with one or more of the applicable criteria and other considerations for cathodic protection contained paragraphs 6.2.2, 6.2.3, 6.2.4, 6.2.5 and 6.3 in NACE SP 0169 (incorporated by reference, *see* § 195.3).

The Notice alleged that Respondent violated 49 CFR § 195.571 by failing to demonstrate that it complied with applicable criteria for cathodic protection. Specifically, the Notice alleged that Colonial did not comply with the criteria and other considerations for cathodic protection as required in Paragraph 6.2.2 of NACE SP 0169, incorporated by reference per § 195.3.

Respondent did not contest this allegation of violation.[1] In its Response, Colonial provided additional information about its cathodic protection testing procedures and asserted the violation did not increase the risk of a release from external corrosion.

Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 CFR § 195.571 by failing to demonstrate that it complied with applicable criteria for cathodic protection.

This finding of violation will be considered a prior offense in any subsequent enforcement action taken against Respondent.

ASSESSMENT OF PENALTY

Under 49 U.S.C. § 60122, Respondent is subject to an administrative civil penalty exceeding $200,000 per violation for each day of the violation, with a maximum administrative civil penalty exceeding $2,000,000 for any related series of violations.[2]

In determining the amount of a civil penalty under 49 U.S.C. § 60122 and 49 C.F.R. § 190.225, I must consider the following criteria: the nature, circumstances, and gravity of the violation, including adverse impact on the environment; the degree of Respondent's culpability; the history of Respondent's prior offenses; any effect that the penalty may have on its ability to continue doing business; the good faith of Respondent in attempting to comply with the pipeline safety

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[1] Respondent stated that it "does not contest ANOPV Item Nos. 1-7, including the PCO and the civil penalty amount associated with ANOPV Item No. 1." Response at 1.

[2] These amounts are adjusted annually for inflation. *See* 49 C.F.R. § 190.223 for adjusted amounts.

regulations; and self-disclosure or actions to correct a violation prior to discovery by PHMSA. In addition, I may consider the economic benefit gained from the violation without any reduction because of subsequent damages, and such other matters as justice may require. The Notice proposed a total civil penalty of $52,800 for the violation cited above.

Item 1: The Notice proposed a civil penalty of $52,800 for Respondent's violation of 49 CFR § 195.571, for failing to demonstrate that it complied with applicable criteria for cathodic protection. Colonial neither contested the allegation nor presented any evidence or argument justifying a reduction in or elimination of the proposed penalty. Accordingly, having reviewed the record and considered the assessment criteria, I assess Respondent a civil penalty of $52,800 for violation of 49 CFR § 195.571.

In summary, having reviewed the record and considered the assessment criteria for each of the Items cited above, I assess Respondent a total civil penalty of **$52,800**, which was paid in full by wire transfer on August 16, 2024.

COMPLIANCE ORDER

The Notice proposed a compliance order with respect to Item 1 in the Notice for violation of 49 CFR § 195.571. Under 49 U.S.C. § 60118(a), each person who engages in the transportation of hazardous liquids or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under chapter 601. Pursuant to the authority of 49 U.S.C. § 60118(b) and 49 CFR § 190.217, Respondent is ordered to take the following actions to ensure compliance with the pipeline safety regulations applicable to its operations:

1. With respect to the violation of § 195.571 (**Item 1**):
    a. Colonial must revise its written plans and procedures to incorporate the criteria described in Paragraph 6.2.2 of the NACE SP 0169 standard. Specifically, revised procedures must account for voltage drop in order to demonstrate that Colonial has met the requirements of the -0.850V and/or 100mV criteria. Colonial must submit its revised written plans and procedures to the Director, PHMSA's Office of Pipeline Safety (OPS), Southern Region (Director), within **30** days of receipt of the Final Order for approval.
    b. Colonial must apply its approved procedure and conduct pipe-to-soil surveys at the Port Arthur Products Junction and the Herbert Pump Station. The results of this survey must be submitted to the Director within 60 days of receipt of the written plans and procedures approval.
    c. If any deficiencies are noted during the survey described above, where the criteria described in Paragraph 6.2.2 of the NACE SP 0169 standard and/or Colonial's approved procedures are not met, Colonial must submit an Action Plan to correct the deficiencies for approval to the Director within **90** days of receipt of the written plans and procedures approval. The Action Plan must include a time-to-completion for any required actions.
    d. Colonial must submit the results of the Action Plan to the Director within

10 days of its completion in accordance with the approved time-to-completion. The results of the Action Plan must include a post-action pipe-to-soil survey of the deficient areas that demonstrate Colonial has met the requirements of Paragraph 6.2.2 of the NACE SP 0169 standard and/or Colonial's approved procedures.

The Director may grant an extension of time to comply with any of the required items upon a written request timely submitted by the Respondent and demonstrating good cause for an extension.

PHMSA requests that Respondent maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to the Director. 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.

Failure to comply with this Order may result in the administrative assessment of civil penalties exceeding $200,000, as adjusted for inflation (*see* 49 CFR § 190.223 for adjusted amounts), for each violation for each day the violation continues or in referral to the Attorney General for appropriate relief in a district court of the United States.

WARNING ITEMS

With respect to Items 2, 3, 4, 5, 6, 7, and 8, the Notice alleged probable violations of Part 195, but identified them as warning items pursuant to § 190.205. The warnings were for:

49 C.F.R. § 195.222(b)(1) **(Item 2)** ─ Respondent's alleged use of a welder to perform a welding process when the welder did not engage in welding with that process within the preceding 6 months;

49 C.F.R. § 194.121(b)(6) **(Item 3)** ─ Respondent's alleged failure to immediately modify its response plan to address a new or different operating condition and submit the change to PHMSA within 30 days;

49 C.F.R. § 195.402(a) **(Item 4)** ─ Respondent's alleged failure to follow its manual of written procedures in conducting normal operations and maintenance activities;

49 C.F.R. § 195.412(a) **(Item 5)** ─ Respondent's alleged failure to inspect the surface condition on or adjacent to each pipeline right-of-way using an appropriate means of traversing the right-of-way;

49 C.F.R. § 195.573(c) **(Item 6)** ─ Respondent's alleged failure to electrically check for the proper performance of each rectifier at least six times each calendar year, but with intervals not exceeding 2 ½ months;

> 49 C.F.R. § 195.452(j)(5)(i) **(Item 7)** ─ Respondent's alleged failure to meet the regulatory requirements for conducting an In-Line Inspection (ILI) as a means of assessing the integrity of line pipe.

If OPS finds a violation of any of these items in a subsequent inspection, Respondent may be subject to future enforcement action.

The Notice also included a warning item (Item 8) which alleged that Colonial violated 49 C.F.R. § 195.414(a) because it could not provide documentation to support that it had inspected all potentially affected pipeline facilities to detect conditions that could adversely affect the safe operation of that pipeline following an extreme weather event. In its Response, Colonial requested withdrawal of Item 8, because, upon receiving the Post-Inspection Preliminary Findings Report, it located inspection records associated with Hurricane Ian and provided those records to PHMSA. In a recommendation for final action submitted pursuant to § 190.209(b)(7), the Director recommended withdrawing the warning item. Accordingly, I hereby order that Item 8 be withdrawn.

Under 49 C.F.R. § 190.243, Respondent may submit a Petition for Reconsideration of this Final Order to the Associate Administrator, Office of Pipeline Safety, PHMSA, 1200 New Jersey Avenue, SE, East Building, 2nd Floor, Washington, DC 20590, with a copy sent to the Office of Chief Counsel, PHMSA, at the same address. The written petition must be received no later than 20 days after receipt of the Final Order by Respondent. Any petition submitted must contain a statement of the issue(s) and meet all other requirements of 49 C.F.R. § 190.243. The filing of a petition automatically stays the payment of any civil penalty assessed. The other terms of the order, including corrective action, remain in effect unless the Associate Administrator, upon request, grants a stay. The terms and conditions of this Final Order are effective upon service in accordance with 49 C.F.R. § 190.5.

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Linda Daugherty
Acting Associate Administrator
for Pipeline Safety

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Date Issued