



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

8701 South Gessner, Suite 1110
Houston, TX 77074

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

August 2, 2007

Mr. Randy Parker
President
Collins Pipeline Company
800 Bell Street, Room 623F
Houston, Texas 77002

CPF 4-2007-5028W

Dear Mr. Parker:

During April 9-13, 2007; April 23-27, 2007; and May 7, 2007 representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your Hazardous Liquid Integrity Management Program in Houston, TX.

As a result of the inspection, it appears that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The item inspected and the probable violation is:

1. §195.49 Annual report

Beginning no later than June 15, 2005, each operator must annually complete and submit DOT form RSPA F 7000-1.1 for each type of hazardous liquid pipeline facility operated at the end of the previous year. A separate report is required for crude oil, HVL (including anhydrous ammonia), petroleum products, and carbon dioxide pipelines. Operators are encouraged, but not required, to file an annual report by June 15, 2004, for calendar year 2003.

Included in the integrity assessment data reviewed by the Inspection Team was an anomaly that met immediate repair criteria and was remediated as part of a confirmatory dig within a short period of time but was not classified as an immediate condition. The classification of this anomaly as "confirmatory dig" rather than "immediate condition" in Collins' internal tracking system results in a failure to accurately trend and report

anomalies that meet the immediate repair criteria. Collins should ensure that immediate conditions are identified as such and included in data that is required to be annually transmitted to PHMSA.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$100,000 for each violation for each day the violation persists up to a maximum of \$1,000,000 for any related series of violations. 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 correct the items identified in this letter. Failure to do so will result in Collins being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 4-2007-5028W**. 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).

Sincerely,



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