



U.S. Department of Transportation
Pipeline and Hazardous Materials
Safety Administration

1200 New Jersey Ave, SE
Washington, D.C. 20590

VIA CERTIFIED MAIL AND FAX TO: (678) 762-2466

Mr. Tim Felt
President & Chief Executive Officer
Colonial Pipeline Company
1185 Sanctuary Parkway, Suite 100
Alpharetta, GA 30009-4765

Re: CPF No. 2-2016-5005H

Dear Mr. Felt:

On September 16, 2016, the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), issued a Corrective Action Order (CAO) to Colonial Pipeline Company (Colonial), relating to a failure on the company's hazardous liquid pipeline system. On September 9, 2016, a reportable accident occurred on Colonial's Line 1 (Line 1), in Shelby County, Alabama, approximately three miles from Pelham, Alabama (Failure). The Failure resulted in the release of approximately 8,000 barrels of gasoline into a pond approximately 460 feet north of Line 1, which transports gasoline from Houston, Texas, to Greensboro, North Carolina. The Failure occurred on a section of Line 1 that runs from Collins, Mississippi, to Atlanta Junction Station in Atlanta, Georgia. Colonial also operates a parallel liquid line (Line 2) that is located approximately 40 feet from Line 1 at the assumed site of the Failure. Line 2 also transports petroleum product from Epes, Alabama, to Anderson, South Carolina.

As you know, Paragraph 2 of the Required Corrective Actions in the CAO requires that Colonial submit a Restart Plan to this office for approval prior to resuming operations of that portion of Line 1 near the site of the Failure (Isolated Segment). Colonial has proposed installing a 36-inch diameter temporary 500-foot bypass line on the Isolated Segment to facilitate limited pipeline operation of Line 1. This bypass will permit passage of product through Line 1 and around the Assumed Failure Site (as described in the CAO) while the excavation, pipeline inspection and search for the failed section of pipe continue.

You have estimated that the bypass tie-ins to Line 1 will be located at Station 5150+03 (upstream) and Station 5154+34 (downstream). Specifications of the bypass pipe are as follows:

- Grade (API, ASTM...): X52 and X60
- SMYS: 811.77 psi
- Wall thickness: 0.281
- Coating Trenton Hot Wax
- Tie-in welds NDT method X-Ray.

It is my understanding that Colonial plans to initiate operation of the bypass on or around September 22, 2016.

After reviewing your preliminary construction plans and evaluating the circumstances of the Failure and its aftermath, including the effects of the shutdown of Line 1 on gas supply in the Southeast, I approve of the construction and installation of the bypass as a temporary measure to restore service while removal of the failed segment of pipe and development of the Restart Plan continue to move forward. Colonial personnel have indicated that the security of the above-ground bypass will be ensured through 24/7 monitoring – it is expected that this monitoring effort will be maintained until the bypass is removed from service.

Please be aware that all other provisions of the CAO will continue in full force and effect during this time. If you have any questions concerning this letter or any other matter regarding the CAO, please feel free to contact me at 404-832-1150.

Thank you for your continuing cooperation in this matter.

Sincerely,



James Urisko
Director, Southern Region, Pipeline & Hazardous
Materials Safety Administration, Office of
for Pipeline Safety

cc: Ms. Linda Daugherty, Deputy Associate Administrator for Field Operations, Office of Pipeline Safety, PHMSA

CERTIFIED MAIL - RETURN RECEIPT REQUESTED [9214 8969 0099 9790 1406 0626 13]