



U.S. Department
Of Transportation
**Pipeline and
Hazardous Materials
Safety Administration**

820 Bear Tavern Road, Suite 306
West Trenton, NJ 08628
609.989.2171

NOTICE OF AMENDMENT

EXPRESS OVERNIGHT DELIVERY

February 16, 2010

Mr. Tim Felt
President and Chief Executive Officer
Colonial Pipeline Company
1185 Sanctuary Parkway, Suite 100
Alpharetta, GA 30004-4738

CPF 1-2010-5002M

Dear Mr. Felt:

On October 17, 2006, representatives of the Virginia State Corporation Commission (VA SCC) under the direction of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Colonial Pipeline Company (CPL) facility at the Hill Street Station in Chesapeake, VA in response to a transmix tank overflow at the Allied Breakout Tank #9.

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

1. §195.401 General requirements.

(b) Whenever an operator discovers any condition that could adversely affect the safe operation of its pipeline system, it shall correct it within a reasonable time. However, if the condition is of such a nature that it presents an immediate hazard to persons or property, the operator may not operate the affected part of the system until it has corrected the unsafe condition.

CPL's Operations and Maintenance Plan (O&M) does not address how delivery operations are to be impacted when tank alarm malfunctions or failures become apparent.

CPL's O&M does not address what constitutes reasonable time for adverse conditions to be corrected and what steps are to be taken when conditions present an immediate hazard conditions.

2. §195.402 (c) (9) Maintenance and normal operations.

In the case of facilities not equipped to fail safe that are identified under §195.402(c)(4) or that control receipt and delivery of the hazardous liquid or carbon dioxide, detecting abnormal operating conditions by monitoring pressure, temperature, flow or other appropriate operational data and transmitting this data to an attended location.

CPL's O&M does not address actions to be taken for facilities that are not equipped to fail safe, and which are unmanned after normal business hours.

3. §195.408 Communications.

(a) Each operator must have a communication system to provide for the transmission of information needed for the safe operation of its pipeline system.

(b) The communication system required by paragraph (a) of this section must, as a minimum, include means for:

(1) Monitoring operational data as required by §195.402(c)(9);

(2) Receiving notices from operator personnel, the public and public authorities of abnormal or emergency conditions and sending this information to appropriate personnel or government agencies for corrective action;

CPLs O&M does not include communication procedures to be followed between the Alpharetta, GA control center, CPL local operator, and third-party tank owner/operator during and after making pipeline cuts.

Response to this Notice

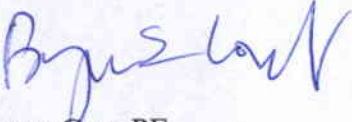
This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.237. Enclosed as part of this Notice is a document entitled Response Options for Pipeline Operators in Compliance Proceedings. Please refer to this document and note the response options. Be advised that all material you submit 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 1-2010-5002M and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

A handwritten signature in blue ink, appearing to read "Byron Coy".

Byron Coy, PE
Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration

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

Cc: Virginia SCC