



U.S. Department  
of Transportation

Pipeline and Hazardous Materials  
Safety Administration

1200 New Jersey Ave., SE  
Washington, DC 20590

**JUN 1 3 2011**

Mr. Tim Felt  
President and Chief Executive Officer  
Colonial Pipeline Company  
1185 Sanctuary Parkway, Suite 100  
Alpharetta, GA 30009-4738

**Re: CPF No. 1-2010-5002M**

Dear Mr. Felt:

Enclosed please find the Order Directing Amendment issued in the above-referenced case. It withdraws one allegation and finds that the other inadequate procedures cited in the Notice of Amendment have been satisfactorily amended. Therefore, this case is now closed. Service of the Order by certified mail is deemed effective upon the date of mailing, or as otherwise provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

for Jeffrey D. Wiese  
Associate Administrator  
for Pipeline Safety

Enclosure

cc: Mr. Alan Mayberry, Deputy Associate Administrator for Field Operations, Pipeline Safety  
Mr. Byron Coy, P.E., Director, Eastern Region, PHMSA  
Mr. Doug Belden, Vice President and General Manager-Operations, Colonial Pipeline Company

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED [7005 1160 0001 0075 9435]**

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

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**In the Matter of** )

**Colonial Pipeline Company,** )

**Respondent.** )  
\_\_\_\_\_

**CPF No. 1-2010-5002M**

**ORDER DIRECTING AMENDMENT**

On October 17, 2006, pursuant to 49 U.S.C. § 60117, a representative of the Virginia State Corporation Commission, as agent for 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 Chesapeake, Virginia. Colonial is the operator of a 5,519-mile pipeline system, which delivers petroleum products from refineries in Texas, Louisiana, Mississippi, and Alabama to terminals in the South and Eastern United States.

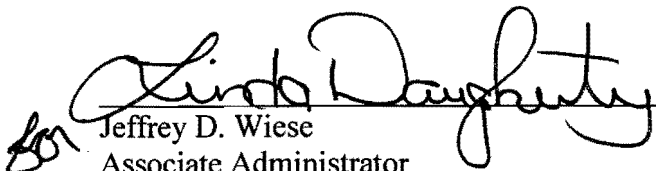
The investigation arose out of an incident that occurred at the Chesapeake Terminal on October 16 and 17, 2006, when Tank #9 overflowed while receiving petroleum products from the Colonial pipeline. At the time of the incident, a high-level alarm failed to communicate the unsafe condition to the Colonial Operation and Control Center (OCC) in Atlanta, Georgia.

As a result of the inspection, the Director, Eastern Region, OPS (Director), issued to Respondent, by letter dated February 16, 2010, a Notice of Amendment. In accordance with 49 C.F.R. § 190.237, the Notice proposed finding that certain of Respondent's written operations and maintenance procedures were inadequate and proposed that Respondent amend its procedures. Specifically, the Notice alleged inadequacies in: (1) Respondent's procedures for correcting an unsafe condition as required by § 195.401(b); (2) Respondent's procedures for monitoring unattended facilities not equipped to fail safe as required by § 195.402(c)(9); and (3) Respondent's procedures for communications between the control center and the local tank facility as required by § 195.408.

Colonial responded to the Notice by letters dated March 17, 2010, and April 12, 2010 (Response). Respondent contested two of the procedural inadequacies, presented information in response to the other inadequacies, and requested a hearing. Following discussions with Respondent, the Director agreed to modify the allegation that Colonial's procedures for correcting an unsafe condition failed to comply with § 195.401(b) to clarify that it extended only

to Respondent's pipeline facilities and not the tank (which was not operated by Colonial). Such allegation is hereby modified. The Director also agreed to withdraw the allegation that Respondent's procedures for monitoring unattended facilities not equipped to fail safe required under § 195.402(c)(9) were inadequate. Such allegation is hereby withdrawn. Based on the Director's actions, by letter dated August 3, 2010, Colonial withdrew its request for a hearing, thereby authorizing the entry of this Order without further notice.

In its Response, Colonial explained that following the incident it amended its procedures for delivery of product and communications procedures to comply with §§ 195.401(b) and 195.408 and submitted copies of its amended procedures which the Director has reviewed and determined to be satisfactory. Accordingly, based on the results of such review, I find that Respondent's original procedures for correcting an unsafe condition and Respondent's communications procedures as described in the Notice were inadequate to ensure safe operation of its pipeline system, but that Respondent has corrected the identified inadequacies. As stated above, PHMSA has withdrawn the allegation that Respondent's procedures for monitoring unattended facilities not equipped to fail safe were inadequate with respect to § 195.402(c)(9). Therefore, no need exists to order Colonial to amend its procedures.

  
Jeffrey D. Wiese  
Associate Administrator  
for Pipeline Safety

**JUN 1 3 2011**

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Date Issued