

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

ENVIRONMENTAL CONTROL

AT RICHMOND, OCTOBER 5, 2007

NOV OCT -5 P 3:52

COMMONWEALTH OF VIRGINIA, ex rel.

STATE CORPORATION COMMISSION

v.

CASE NO. URS-2007-00301

COLONIAL PIPELINE COMPANY,

Defendant

ORDER ACCEPTING OFFER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia ("Code"), the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, § 56-265.14 et seq. of the Code. The Commission's Division of Utility and Railroad Safety ("Division"), after having conducted an investigation of this matter, alleges that:

- (1) On or about July 25, 2006, ECS-Mid Atlantic, LLC, notified the notification center of proposed excavation at or near Rotunda Avenue, Chesapeake, Virginia;
- (2) On the occasion set out in paragraph (1) above, Colonial Pipeline Company ("Company") failed to report the marking status to the excavator-operator information exchange system by no later than 7:00 a.m. on the third working day following the excavator's notice to the notification center, in violation of § 56-265.19 A of the Code of Virginia;
- (3) On or about July 25, 2006, Fishburne Drilling, Inc., notified the notification center of proposed excavation at or near Rotunda Avenue, Chesapeake (City), Virginia; and
- (4) On the occasion set out in paragraph (3) above, the Company failed to mark the approximate horizontal location of the underground utility line on the ground within two feet of either side of the underground utility line, in violation of § 56-265.19 A of the Code of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Order Accepting Offer of Settlement.

As a proposal to settle all matters before the Commission arising from the Division's allegations herein, the Company has offered, and agreed to comply with, the following terms and undertakings:

(1) That it will pay a civil penalty to the Commonwealth of Virginia in the amount of \$5,000;

(2) That \$4,000 of said penalty will be suspended upon the condition that the Company implements, within 30 days of the entry of this Order, the necessary modifications to the Company's Miss Utility ticket management system to ensure that the appropriate response codes¹ can be used to report to Virginia's Positive Response System², at the notification center for the Commonwealth, the marking status of the Company's facilities in Virginia for each excavation notice received by the Company, and further upon the condition that the Company tenders an affidavit within 30 days of the entry of the Order to the Clerk of the Commission, with a copy to the Division, attesting to the completion of the remedial action outlined herein.

(3) That the balance of said penalty, \$1,000, will be paid contemporaneously with the entry of this Order by check payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Utility and Railroad Safety.

¹Response codes are a standardized means by which operators communicate the marking status of their underground utility lines to excavators in response to notices of proposed excavations. An example of a response code would be "10 – Marked". Code 10 would be used when all of the Company's utility lines within the area of proposed excavation have been marked.

²The Positive Response System is an automated system maintained by the notification center, capable of recording the response codes submitted by utility operators in response to notices of excavations.

NOW THE COMMISSION, being advised by the Division and finding sufficient basis herein for acceptance of the Company's offer of settlement, hereby accepts this offer of settlement.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to the authority granted to the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company is hereby accepted.

(2) The Company fully comply with the aforesaid terms and undertakings of the settlement.

(3) The Company is hereby penalized in the amount of \$5,000.

(4) The sum of \$1,000 tendered contemporaneously with the entry of this Order is accepted.

(5) The balance of the penalty amount, \$4,000, will be suspended if the Company completes the actions required in Paragraph (2) appearing on p. 2, and tenders an affidavit, within 30 days of the entry of this Order, to the Clerk of the Commission, with a copy to the Division, attesting to the timely completion of the remedial action outlined herein.

(6) The Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding, or taking such other action it deems appropriate, on the account of the Company's failure to comply with the terms and undertakings of the settlement.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to:

Norm Szydlowski, President, Colonial Pipeline Company, 1185 Sanctuary Parkway Road, N.E., Alpharetta, Georgia 30004; and the Commission's Office of General Counsel and Division of Utility and Railroad Safety.

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UTILITY AND RAILROAD SAFETY
VIRGINIA STATE CORPORATION COMMISSION

COMMONWEALTH OF VIRGINIA, ex rel.

STATE CORPORATION COMMISSION

v.

CASE NO. URS-2007-00301

COLONIAL PIPELINE COMPANY,
Defendant

ADMISSION AND CONSENT

The Defendant, Colonial Pipeline Company, admits the jurisdiction of the Commission as to the party and subject matter hereof and, without admitting or denying the allegations made herein by the Division of Utility and Railroad Safety, hereby consents to the form, substance, and entry of the foregoing Order Accepting Offer of Settlement. The Defendant acknowledges that the Order Accepting Offer of Settlement entered herein is a public record and is subject to review by the public.

The Defendant further states that no offer, tender, threat, or promise of any kind has been made by the Commission or by any member, officer, agent, or representative thereof in consideration of this Admission and Consent.

Date: August 01, 2007

Colonial Pipeline Company

By: *Walter J. Szymanski*

Title: President and Chief Executive Officer