NEWS RELEASE

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ATTORNEY GENERAL STEVE MARSHALL, ADEM ANNOUNCE $3.3 MILLION SETTLEMENT OF ENVIRONMENTAL CLAIMS AGAINST COLONIAL PIPELINE

(MONTGOMERY) - Attorney General Steve Marshall and the Alabama Department of Environmental Management (ADEM), announced today that they have entered into an agreement with the Colonial Pipeline Company which resolves state environmental claims related to the company's September 9, 2016, and October 31, 2016, gasoline pipeline ruptures in Shelby County, and three small releases elsewhere in Alabama.

"This agreement first and foremost addresses the environmental damage to land and water caused by significant gasoline spills in Shelby County during 2016," said Attorney General Marshall. "I am pleased by the outstanding work of ADEM's legal team who worked closely with our lawyers to achieve a settlement which I believe is fair, reasonable and benefits the people of Alabama."

Settlement requirements include: an obligation for Colonial to complete the cleanup of petroleum products released into the soil and waters of the State, which will be overseen by ADEM; a $1.3 million civil penalty; and, $1.8 million in projects to benefit the State of Alabama. In addition, the settlement provides $200,000 to the Alabama Department of Conservation and Natural Resources as restitution for damages incurred by the closure of its Cahaba River Wildlife Management Area for nearly three months.

The September 9, 2016, incident involved the below ground release of approximately 7,370 barrels of gasoline in the proximity of County Road 91, near Pelham. A portion of the gasoline was recovered. Reports indicate the release was caused by pipe fatigue that resulted from improper compaction of soil below that portion of the pipeline.

The October 31, 2016, incident involved the release of approximately 4,444 barrels of gasoline near County Road 251 in Shelby County. A portion of the gasoline was recovered. It was reported that the release was caused by an accidental strike to the pipeline by excavating equipment when a contractor was performing maintenance on the pipeline. The strike to the pipeline ignited gasoline, which resulted in releases into the environment.

The three remaining releases totaled approximately 21 barrels of petroleum products, a portion of which was recovered.

Colonial is subject to regulatory oversight by the Pipeline and Hazardous Materials Safety Administration, which is a U.S. Department of Transportation agency, and incident investigation by the National Transportation Safety Board.

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