



U.S. Department  
of Transportation  
**Research and  
Special Programs  
Administration**

400 Seventh St. S.W.  
Washington, D.C. 20590

APR 30 2003

Steve Liles  
Westside Business Manager  
BreitBurn Energy Company, LLC  
515 South Flower Street, Suite 4800  
Los Angeles, California 90071

Re: CPF No. 5-2002-0003

Dear Mr. Liles:

Enclosed is the Final Order issued by the Associate Administrator for Pipeline Safety in the above-referenced case. It makes findings of violation and assesses a civil penalty of \$12,000. The penalty payment terms are set forth in the Final Order. This enforcement action closes automatically upon payment. Your receipt of the Final Order constitutes service of that document under 49 C.F.R. § 190.5.

Sincerely

Gwendolyn M. Hill  
Pipeline Compliance Registry  
Office of Pipeline Safety

Enclosure

CERTIFIED MAIL RETURN RECEIPT REQUESTED

DEPARTMENT OF TRANSPORTATION  
RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION  
OFFICE OF PIPELINE SAFETY  
WASHINGTON, DC 20590

In the Matter of	)	
BreitBurn Energy Company, LLC	)	CPF No. 5-2002-0003
Respondent.	)	

**FINAL ORDER**

On February 29, 2002, pursuant to 49 U.S.C. § 60117, a representative of the Office of Pipeline Safety (OPS) conducted an on-site pipeline safety inspection of Respondent's facilities and records in Los Angeles, California. As a result of the inspection, the Director, Western Region, OPS, issued to Respondent, by letter dated May 6, 2002, a Notice of Probable Violation and Proposed Civil Penalty (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Respondent had violated 49 C.F.R. §192.465(a) and proposed assessing a civil penalty of \$17,000 for the alleged violation.

Respondent responded to the Notice by letter dated June 5, 2002 (Response). Respondent did not contest the allegations of violation but offered an explanation and provided information in mitigation of the proposed civil penalty and concerning the corrective actions it has taken. Respondent did not request a hearing; consequently, Respondent waived its right to one.

**FINDINGS OF VIOLATION**

Respondent did not contest alleged violation in the Notice. Accordingly, I find that Respondent violated 49 C.F.R. § 192.465(a) by failing to test each pipeline that is under cathodic protection at least once each calendar year, not to exceed 15 months.

This finding of violation will be considered a prior offense in any subsequent enforcement action taken against Respondent.

**ASSESSMENT OF PENALTY**

Under 49 U.S.C. § 60122, Respondent is subject to a civil penalty not to exceed \$100,000 per violation for each day of the violation up to a maximum of \$1,000,000 for any related series of violations

49 U.S.C. § 60122 and 49 C.F.R. § 190.225 require that, in determining the amount of the civil penalty, I consider the following criteria: nature, circumstances, and gravity of the violation, degree of Respondent's culpability, history of Respondent's prior offenses, Respondent's ability to pay the penalty, good faith by Respondent in attempting to achieve compliance, the effect on Respondent's ability to continue in business, and such other matters as justice may require.

The Notice alleged that Respondent had violated 49 C.F.R. § 192.465(a), by failing in the 1998 and 2001 calendar years to test each pipeline that is under cathodic protection within the prescribed time limits. In its response, Respondent submitted information demonstrating that it had completed the 1998 testing. Based on this information demonstrating compliance with the regulation in 1998, I am reducing the civil penalty from \$17,000 to \$12,000. Accordingly, having reviewed the record and considered the assessment criteria, I assess Respondent a civil penalty of \$12,000.

Payment of the civil penalty must be made within 20 days of service. Federal regulations (49 C.F.R. § 89.21(b)(3)) require this payment be made by wire transfer, through the Federal Reserve Communications System (Fedwire), to the account of the U.S. Treasury. Detailed instructions are contained in the enclosure. Questions concerning wire transfers should be directed to: Financial Operations Division (AMZ-120), Federal Aviation Administration, Mike Monroney Aeronautical Center, P.O. Box 25770, Oklahoma City, OK 73125; (405) 954-4719.

Failure to pay the \$12,000 civil penalty will result in accrual of interest at the current annual rate in accordance with 31 U.S.C. § 3717, 31 C.F.R. § 901.9 and 49 C.F.R. § 89.23. Pursuant to those same authorities, a late penalty charge of six percent (6%) per annum will be charged if payment is not made within 110 days of service. Furthermore, failure to pay the civil penalty may result in referral of the matter to the Attorney General for appropriate action in an United States District Court.

Under 49 C.F.R. § 190.215, Respondent has a right to petition for reconsideration of this Final Order. The petition must be received within 20 days of Respondent's receipt of this Final Order and must contain a brief statement of the issue(s). The filing of the petition automatically stays the payment of any civil penalty assessed. All other terms of the order, including any required corrective action, remain in full effect unless the Associate Administrator, upon request, grants a stay. The terms and conditions of this Final Order are effective on receipt.



Stacey Gerard  
Associate Administrator  
for Pipeline Safety

APR 30 2003

Date Issued