



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

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

MAR 18 2005

Mr. L. Leroy Anderson
Vice President - Regulatory Affairs
Kaneb Pipe Line Company
7340 West 21st Street N., Suite 200
Wichita, KS 67205

Re: CPF No. 3-2003-5027

Dear Mr. Anderson:

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 for those violations. I acknowledge your wire transfer dated January 22, 2004, for \$12,000 as payment in full of the civil penalty assessed in the Final Order.

This case is now closed and no further enforcement action is contemplated with respect to the matters in this case. Your receipt of the Final Order constitutes service of that document under 49 C.F.R. § 190.5.

Sincerely,

James Reynolds
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

Kaneb Pipe Line Company

Respondent

CPF No. 3-2003-5027

FINAL ORDER

On December 11, 2003, in accordance with 49 C.F.R. § 190.207, the Director, Central Region, Office of Pipeline Safety (OPS), issued to Respondent a Notice of Probable Violation and Proposed Civil Penalty (Notice). The Notice proposed finding that Respondent had committed violations of 49 C.F.R. Part 195 and proposed assessing a civil penalty of \$12,000 for the alleged violations. Respondent responded to the Notice by letter dated March 1, 2004 (Response). Respondent did not contest the allegations or the amount of the proposed civil penalty. Respondent submitted a wire transfer in the amount of the proposed civil penalty (\$12,000), waiving further right to respond and authorizing the entry of this Final Order.

Pursuant to § 190.209(a)(1) and 49 U.S.C. § 60122, I find that Respondent violated the following sections of 49 C.F.R. Part 195 as more fully described in the Notice:

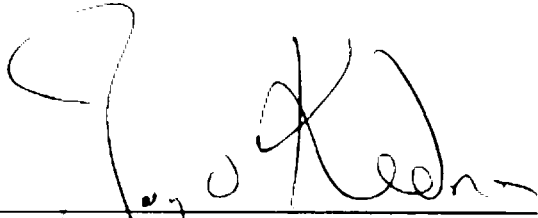
49 C.F.R. § 195.402 – failing to follow its operating and maintenance procedures for establishing and maintaining liaison with fire, police, and other appropriate public officials with respect to the Council Bluffs to Sioux Falls 6-inch pipeline and its lines in North Dakota; and

49 C.F.R. § 195.442 – failing to provide notice of its pipeline damage prevention program to make excavators aware of the program's existence and how to learn the location of underground pipelines before excavation activities are begun.

These findings of violation will be considered prior offenses in any subsequent enforcement action against Respondent. Having reviewed the record and considered the assessment criteria, I assess the civil penalty of \$12,000 already paid by Respondent.

The Notice did not propose a civil penalty or corrective action for Item 2 in the Notice, failure to include appropriate public officials in the public education program, or for Item 4, failure to maintain records of certain inspections associated with pipe cut-outs. Therefore, these are considered warning items. Respondent is warned that if it does not take appropriate action to correct these items, enforcement action will be taken if a subsequent inspection reveals a violation.

The terms and conditions of this Final Order are effective on receipt.



for
Stacey Gerard
Associate Administrator
for Pipeline Safety

MAR 18 2005

Date Issued