



US Department
of Transportation

**Research and
Special Programs
Administration**

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

JUL 29 2003

Mr. Jim Lamanna
President
BP Amoco Pipeline Company
Mail Code 7018
801 Warrenville Road
Lisle, Illinois 60532

RE: CPF No. 4-2001-5001

Dear Mr. Edwards:

Enclosed is the Final Order issued by the Associate Administrator for Pipeline Safety in the above-referenced case. It makes a finding of violation and assesses a civil penalty of \$35,000. The penalty 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

BP Amoco Pipeline Company,

Respondent.

CPF No. 4-2001-5001

FINAL ORDER

On August 2 - 4, 2000, a representative of the Office of Pipeline Safety (OPS) conducted an on-site pipeline safety inspection of Respondent's facilities and records in Cushing, Oklahoma. As a result of the inspection, the Director, Southwest Region, OPS, issued to Respondent by letter dated October 9, 2001, 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. § 195.428 and proposed assessing a civil penalty of \$35,000 for the alleged violation.

Respondent responded to the Notice by letter dated November 19, 2001 (Response). Respondent contested the allegation, offered information to explain the allegation, and requested mitigation of the proposed civil penalty. Respondent did not request a hearing, consequently Respondent waived its right to one.

FINDING OF VIOLATION

The Notice alleged that Respondent violated § 195.428 in failing to inspect and test 35 thermal relief valves installed at its Cushing, Oklahoma tank farm, at the specified intervals, to determine that they were functioning properly, were in good mechanical condition, and were adequate from the standpoint of capacity and reliability of operation for the service in which they were used.

In its Response, Respondent stated that its pressure relief valves were installed as redundant protection and were used when personnel onsite were performing preventive maintenance tasks. Respondent stated its chief method of protecting its lines from overpressure was maintaining a valve open to an atmospheric tank. Respondent acknowledged that it had not inspected its relief valves.

As stated in the Notice, thermal relief valves provide overpressure protection against liquid expansion on short isolated lengths of pipe. Overpressure can result from the heating effect of solar radiation or an external fire. A worst case temperature increase scenario on an undrained isolated

section could result in an overpressure condition necessitating thermal pressure relief protection. Although Respondent had a procedure to ensure a pipeline section containing liquid is not isolated, there is always a risk of operator error.

Most overpressure protection devices are “redundant” in that usually other operational means exist to prevent overpressure situations. Respondent made those relief valves part of its pipeline facility. Respondent therefore had a duty to inspect them in accordance with § 195.428. Accordingly I find that Respondent violated §195.428 in failing to inspect and test 35 thermal relief valves at the required intervals.

This finding will be considered as a prior offense in any subsequent enforcement action 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 proposed a total civil penalty of \$35,000.

Respondent argued the civil penalty was excessive. Respondent stated that it had a procedure in place to protect its system during normal operations, and that it had inspected the relief valves in 2000 after the OPS inspection, and again in 2001. I do not find that this information justifies reducing the civil penalty. If relief valves are not working properly an overpressure can cause a release of product from the pipeline that can result in injury to operating personnel and to the environment.

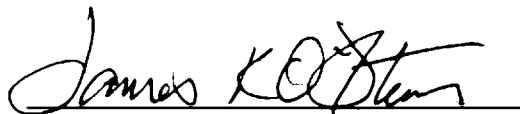
A determination has been made that Respondent has the ability to pay this penalty without adversely affecting its ability to continue in business. Accordingly, having reviewed the record and considered the assessment criteria, I assess Respondent a civil penalty of \$35,000.

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 \$35,000 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 a United States District Court.

Under 49 C.F.R. § 190.215, respondent has a right to petition for reconsideration of this Final Order. However, if the civil penalty is paid, the case closes automatically and Respondent waives the right to petition for reconsideration. The filing of the petition automatically stays the payment of any civil penalty assessed. 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 terms and conditions of this Final Order are effective on receipt.



Stacey Gerard

for Associate Administrator
for Pipeline Safety

JUL 29 2003

Date Issued