



U.S. Department  
of Transportation

**Pipeline and  
Hazardous Materials Safety  
Administration**

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

MAY 27 2005

Mr. Edward R. Jacoby  
Vice President, Wholesale Marketing & Distribution  
The Premcor Refining Group, Inc.  
1700 Putnam Avenue, Suite 500  
Old Greenwich, CT 06870

RE: CPF No. 2-2004-6012

Dear Mr. Jacoby:

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 finds that you have completed the actions specified in the Notice required to comply with the pipeline safety regulations. This case is now closed. 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

cc: Ms. Linda Daugherty, Director, OPS Southern Region

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

**DEPARTMENT OF TRANSPORTATION  
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION  
OFFICE OF PIPELINE SAFETY  
WASHINGTON, DC 20590**

**In the Matter of**

**PREMCOR REFINING GROUP, INC.**

**Respondent**

**CPF No. 2-2004-6012**

**FINAL ORDER**

On April 21 and 22, 2004 pursuant to 49 U.S.C. § 60117, representatives of the Central and Southern Regions, Office of Pipeline Safety (OPS), conducted an inspection of Respondent's Operator Qualification Plan at its Memphis, Tennessee Truck Terminal. As a result of this investigation, the Director, Southern Region, OPS, issued to Respondent, by letter dated September 22, 2004, a Notice of Probable Violation and Proposed Compliance Order (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Respondent had violated 49 C.F.R. § 195.505 and proposed that Respondent take certain measures to correct the alleged violations.<sup>1</sup>

Respondent responded to the Notice by letter dated, October 18, 2004 (Response). Respondent did not contest the allegation of violation but provided information concerning the corrective actions it has taken. Respondent did not request a hearing, and therefore has waived its right to one.

**FINDINGS OF VIOLATION**

In its Response, Respondent did not contest the alleged violation of 49 C.F.R. § 195.505 in the Notice. Accordingly, I find that Respondent violated 49 C.F.R. Part 195, as more fully described in the Notice:

49 C.F.R. § 195.505(a) and (c)--failing to adequately prepare and follow a written qualification program, as Respondent failed to include provisions to define the number of persons, and under what conditions, a qualified person can direct and observe non-qualified persons. Also, Respondent failed to include "excavation" as a covered tasks.

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<sup>1</sup>This case, however, is no longer before RSPA for decision. Effective February 20, 2005, the Pipeline and Hazardous Materials Safety Administration (PHMSA) was created to further the highest degree of safety in pipeline transportation and hazardous materials transportation. See, section 108 of the Norman Y. Mineta Research and Special Programs Improvement Act (Public Law 108-426, 118 Stat. 2423-2429 (November 30, 2004)). See also, 70 Fed. Reg. 8299 (February 18, 2005) re delegating the pipeline safety functions to the Administrator, PHMSA.

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

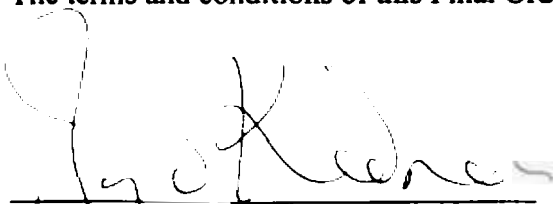
### **COMPLIANCE ORDER**

The Notice proposed a compliance order with respect to **Item 1** for violation of 49 C.F.R. § 195.505(a) and ©). Under 49 U.S.C. § 60118(a), each person who engages in the transportation of hazardous liquids or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under chapter 601. The Regional Director has indicated that Respondent has taken the following actions specified in the proposed compliance order:

Respondent has revised its Operator Qualification Plan (OQ) to include provisions to define the number of persons, and under what conditions, a qualified person can direct and observe non-qualified persons. The task "excavation" has been added to the covered tasks list. Respondent also added to its OQ plan the requirement that welding can not be done by a non-qualified person under the direction and observation of a qualified person.

Accordingly, since compliance has been achieved with respect to this violation, the compliance terms are not included in this Order.

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

  
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Stacey Gerard  
Associate Administrator  
for Pipeline Safety

for

MAY 27 2005

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Date Issued