

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. Ken Black  
President  
Key Pipeline Limited  
355 Ashland Loop Road  
Ashland, Oregon 97520

Re: CPF No. 58530

Dear Mr. Black:

Enclosed is the Final Order issued by the Associate Administrator for Pipeline Safety in the above-referenced case. It makes findings of violation and requires certain corrective action. 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

DEPARTMENT OF TRANSPORTATION  
RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION  
OFFICE OF PIPELINE SAFETY  
WASHINGTON, D.C. 20590

_____	)	
In the Matter of	)	CPF No. 58530
Key Pipeline Limited,	)	
Respondent.	)	
_____	)	

**FINAL ORDER**

On September 14, 1998, 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 Wheatland, Wyoming. As a result of the inspection, the Director, Western Region, OPS, issued to Respondent, by letter dated October 21, 1998, 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 committed violations of 49 C.F.R. Parts 195 and 199 and proposed that Respondent take certain measures to correct the alleged violations.

Respondent has not responded in writing within the 30 day time period set forth in 49 C.F.R. § 190.209. Respondent did not request a hearing and, therefore, has waived its right to one.

FINDINGS OF VIOLATION

Respondent did not contest the alleged violations. Accordingly, I find that Respondent violated the following sections of 49 C.F.R. Parts 195 and 199, as more fully described in the Notice:

49 C.F.R. § 195.238(a) -- failure to provide adequate external protective coating on the pipeline at the soil-to-air interface in areas where the pipeline extends aboveground;

49 C.F.R. § 195.258(a) -- failure to provide adequate protection for a block valve;

49 C.F.R. §§ 195.402(c)(3) -- failure to include procedures for operating, maintaining and repairing the pipeline system in accordance with the requirements of § 195.422(b) in its manual of written procedures (O & M Manual);

49 C.F.R. § 195.404 -- failure to have and maintain a formal record keeping program;

49 C.F.R. § 195.410(a)(1) -- failure to place and maintain a sufficient number of markers to accurately indicate the location of the pipeline;

49 C.F.R. § 195.410(c) -- failure to place and maintain an adequate number of line markers at a block valve that is accessible to the public;

49 C.F.R. § 195.416(a) -- failure to maintain adequate cathodic protection of its pipeline system;

49 C.F.R. § 195.416(b) -- failure to maintain the test leads required for cathodic protection in such a condition that electrical measurements can be obtained to ensure adequate cathodic protection;

49 C.F.R. § 195.416(i) -- failure to maintain adequate pipe coating to prevent atmospheric corrosion;

49 C.F.R. § 195.430(a) -- failure to have current inspection tags on its firefighting equipment;

49 C.F.R. § 199.7(a) -- failure to have and follow an anti-drug plan; and

49 C.F.R. § 199.202 -- failure to have and follow an alcohol misuse plan.

These findings of violation will be considered as prior offenses in any subsequent enforcement action taken against Respondent.

#### COMPLIANCE ORDER

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. Pursuant to the authority of 49 U.S.C. § 60118(b) and 49 C.F.R. § 190.217, Respondent is hereby ordered to take the following actions to ensure compliance with the pipeline safety regulations applicable to its operations.

1. Ensure that the external coating extends sufficiently above the soil-to-air interface to protect the submerged components at the Guernsey Terminal and Dwyer Pump Station. Ensure that the pipeline's external coating meets the requirements of § 195.238(a).
2. Protect the block valve on the East side of the Platte River as required by § 195.258. To protect the valve from damage or tampering, either lock the valve or lock the gate on the fence surrounding the valve.
3. Establish and follow a manual of written procedures that meets the requirements of §§ 195.402(a), 195.402(c)(3) and 195.422(b).
4. Establish and maintain a formal record keeping program that meets the requirements of § 195.404.
5. Place and maintain a sufficient number of pipeline markers over the pipeline to determine its location. Place and maintain the line markers to meet the requirements of §195.410(a)(1).
6. Place and maintain an adequate number of pipeline markers at the aboveground valve on the East side of the Platte River to meet the requirements of § 195.410(c).
7. Maintain an adequate level of cathodic protection on all belowground sections of the pipeline to meet the requirements of § 195.416(a).
8. Repair or replace the cathodic protection test leads on the casing under the railroad crossing near Key Pipeline Limited's junction with KANEB pipeline, and at the casing under the Rock Quarry Road near the Guernsey Terminal to meet the requirements of § 195.416(b).
9. Clean, coat with material suitable for the prevention of atmospheric corrosion, and maintain this protection at the Dwyer Pump Station and Guernsey Terminal to meet the requirements of § 195.416(i).
10. Ensure that all fire extinguishers are in proper operating condition, as required by §195.430(a), by inspecting them and keeping a record of the inspection.
11. Develop, maintain and follow a written anti-drug plan that conforms to all the requirements of § 199.7.
12. Develop, maintain and follow a written alcohol misuse plan that conforms to all the requirements of § 199.202.

13. The above listed actions must be accomplished within 60 days following receipt of the Final Order.
14. Submit the required procedures and evidence of the actions taken to the Director, Western Region, Office of Pipeline Safety, Research and Special Programs Administration, 12600 West Colfax Avenue, Suite A-250, Lakewood, Colorado 80215.
15. The Regional Director may grant an extension of time upon receipt of a written request stating the reasons therefor, for completion of any of the actions required herein.

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, shall remain in full effect unless the Associate Administrator, upon request, grants a stay. The terms and conditions of this Final Order are effective upon receipt.

Failure to comply with this Final Order may result in the assessment of civil penalties of up to \$25,000 per violation per day, or in the referral of the case for judicial enforcement.

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Stacey Gerard  
Associate Administrator  
for Pipeline Safety

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Date Issued