

Mr. Rod Cason
Tesoro Alaska Petroleum Company
P.O. Box 3369
Kenai, Alaska 99611-3369

Re: CPF No. 54504

Dear Mr. Cason:

Enclosed is the Final Order issued by the Associate Administrator for Pipeline Safety in the above-referenced case. It withdraws the allegations of violation. Your receipt of the Final Order constitutes service of that document under 49 C.F.R. § 190.5.

This case is now closed. Thank you for your continuing cooperation in our joint effort to ensure pipeline safety.

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
WASHINGTON, DC

_____)
In the Matter of)
)
Tesoro Alaska Petroleum Company,) CPF No. 54504
)
Respondent.)
_____)

FINAL ORDER

On September 23 and November 18, 1994, 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 Anchorage and Kenai, Alaska. As a result of the inspection, the Director, Western Region, OPS issued to Respondent, by letter dated January 26, 1994, 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. §§ 195.402(c)(3), 195.214(a), 195.222, 195.302(a) and 195.310 and proposed a civil penalty of \$35,000 for the alleged violations.

Respondent responded to the Notice by letter dated March 14, 1994 (Response). Respondent contested the allegations, offered information to support its position and to mitigate the proposed civil penalty. Respondent did not request a hearing and therefore, has waived its right to one.

WITHDRAWAL OF ALLEGATIONS

The Notice alleged five violations of 49 C.F.R. Part 192.

1. 49 C.F.R. § 195.402(c)(3): Respondent did not have a procedure that met the requirements of §195.422 for pipeline repairs it had made in 1984 and 1986.

2. 49 C.F.R. § 195.214(a): Respondent did not have a qualified welding procedure for a pipeline repair it had made in 1984.

3. 49 C.F.R. §195.222: Respondent could not demonstrate that welders it had used for pipeline repair and replacement projects in 1984 and 1986 had been qualified to the specified standards.

4. 49 C.F.R. §195.302(a): Respondent could not demonstrate that pipe it had used in 1984 to repair third party damage to the pipeline had been hydrostatically tested.

5. 49 C.F.R. § 195.310: Respondent did not have the test equipment certifications for the pipe it had pressure tested and used in its 1986 realignment project.

With respect to allegation #3, Respondent said that it used qualified welders and submitted affidavits attesting that certified and qualified welders had performed the work. Accordingly, this allegation of violation is withdrawn.

The remaining four allegations centered on two projects in 1984 and 1986 involving repair and replacement of pipe in Respondent's system. Respondent noted that an 1986 inspection had not found pipeline safety violations

Respondent is not excused from compliance because an OPS review did not result in any allegations of violation. Ensuring compliance with the pipeline safety regulations is an operator's ongoing responsibility. An inspection that did not result in an enforcement action does not mean that Respondent's plans and procedures will forever comply with the pipeline safety regulations. A subsequent inspection may find deficiencies missed in the prior inspection because the scope of the inspections may differ. Or new or revised regulations may necessitate an operator's amending procedures that previously were satisfactory.

However, due to the lengthy time span between the cited repair and replacement projects and the Notice of Probable Violation being issued, I find that our pursuing these allegations raises due process concerns. Thus, I am withdrawing these allegations of violation solely for fairness considerations.

This withdrawal does not reflect on the substance of the allegations. Two of the allegations concerned not having repair and welding procedures. The other two concerned not having records in connection with hydrostatic testing.

Respondent is warned that all procedures it uses for conducting pipeline operations and maintenance activities must be included in its written operations and maintenance plan. Respondent is further warned that it must ensure that it keeps all required testing records.

Because I have withdrawn all allegations of violation, no civil penalty will be assessed.

/s/ Richard B. Felder

Richard B. Felder
Associate Administrator
for Pipeline Safety

Dated: ___10/20/97_____