

NOV 2 2010

Mr. Michael McCann
Vice President, Pipelines and Terminals
Tesoro Refining and Marketing Company
19100 Ridgewood Parkway
San Antonio, TX 78259

Re: CPF No. 5-2009-0002

Dear Mr. McCann:

Enclosed please find the Final Order issued in the above-referenced case. It makes findings of violation and finds that Tesoro Refining and Marketing Company has completed the actions specified in the Notice required to comply with the pipeline safety regulations. This case is now closed. Service of this Final Order is complete upon satisfaction of the requirements in 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Enclosure

cc: Mr. Chris Hoidal, Director, Western Region, PHMSA

Ms. Lori Menke
DOT Compliance Specialist
Tesoro Refining and Marketing Company
300 Concord Plaza Drive
San Antonio, TX 78216

CERTIFIED MAIL - RETURN RECEIPT REQUESTED [7005 1160 0001 0041 0626]

**U.S. DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590**

_____)	
In the Matter of)	
)	
Tesoro Refining and Marketing)	CPF No. 5-2009-0002
Company,)	
)	
Respondent.)	
_____)	

FINAL ORDER

On September 9-11, 2008, pursuant to 49 U.S.C. § 60117, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), conducted an inspection of the operations and maintenance manual of Tesoro Refining and Marketing Company (Tesoro or Respondent) in Wilmington, California. Tesoro, a subsidiary of Tesoro Corporation, operates a 3000-foot-long pipeline in Wilmington that transports natural gas.

As a result of the inspection, the Director, Western Region, OPS (Director), issued to Respondent, by letter dated January 6, 2009, a Notice of Probable Violation and Proposed Compliance Order (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Tesoro had committed 17 separate violations of 49 C.F.R. Part 192 and proposed ordering Respondent to take certain measures to correct the alleged violations.

Tesoro responded to the Notice by letters dated February 3 and December 15, 2009. The company did not contest the allegations of violation, provided information concerning the corrective actions it had taken and planned to take, and submitted copies of its revised procedures. Respondent did not request a hearing and therefore has waived its right to one.

FINDINGS OF VIOLATION

Items 1 through 17: The Notice alleged that Tesoro violated 49 C.F.R. §§ 192.225, 192.231, 192.233, 192.235, 192.459, 192.461, 192.467, 192.471, 192.479, 192.481, 192.503, 192.605, 192.614, 192.615, 192.617, 192.627, and 192.739. Specifically, the Notice alleged that Tesoro's operations and maintenance (O&M) manual did not contain the written procedures required by these regulations. The company did not contest these allegations of violation. Accordingly, I find that Tesoro violated 49 C.F.R. §§ 192.225, 192.231, 192.233, 192.235, 192.459, 192.461,

192.467, 192.471, 192.479, 192.481, 192.503, 192.605, 192.614, 192.615, 192.617, 192.627, and 192.739 by failing to have in its O&M manual the written procedures required by these regulations.

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

COMPLIANCE ORDER

The Notice proposed a compliance order with respect to Items 1 through 17 in the Notice for violations of 49 C.F.R. §§ 192.225, 192.231, 192.233, 192.235, 192.459, 192.461, 192.467, 192.471, 192.479, 192.481, 192.503, 192.605, 192.614, 192.615, 192.617, 192.627, and 192.739, respectively. Under 49 U.S.C. § 60118(a), each person who engages in the transportation of gas or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under chapter 601. The Director has indicated that Respondent has taken all the actions specified in the proposed compliance order.

Accordingly, I find that compliance has been achieved with respect to these violations. Therefore, the compliance terms proposed in the Notice are not included in this Order.

This action is now closed. The terms and conditions of this Final Order are effective upon service in accordance with 49 C.F.R. § 190.5.

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Date Issued