

**APR 27 2009**

**VIA CERTIFIED MAIL – RETURN RECEIPT REQUESTED [7005-1160-0001-0047-7070]**

Mr. Robert Rose  
President  
Idaho Pipeline Corporation  
P.O. Box 35236  
Sarasota, FL 34232

**Re: CPF No. 5-2008-5036**

Dear Mr. Rose:

Enclosed is the Final Order issued in the above-referenced case. It makes findings of violation and specifies actions that need to be taken by Idaho Pipeline Corporation to comply with the pipeline safety regulations. When the terms of the compliance order have been completed, as determined by the Director, Western Region, this enforcement action will be closed. Your receipt of this Final Order constitutes service of that document under 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

Mr. Joseph LaRose, Facility Manager  
Idaho Pipeline Corporation  
P.O. Box 15653  
Boise, ID 83715

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

In the Matter of	)	
Idaho Pipeline Corporation,	)	
Respondent.	)	CPF No. 5-2008-5036
	)	

**FINAL ORDER**

On March 6, 2008, pursuant to 49 U.S.C. § 60117, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), inspected the Integrity Management Program (IMP) of the Idaho Pipeline Corporation (Idaho or Respondent). Idaho is the operator of a three-mile aviation fuel pipeline in Boise, Idaho.

As a result of that inspection, on December 5, 2008, PHMSA issued a Final Order finding that Idaho had committed certain violations of PHMSA’s integrity management regulations (Final Order).<sup>1</sup> Specifically, it found that Idaho had violated 49 U.S.C. § 60132(a) and (b) by failing to submit certain geospatial data regarding its pipeline system to the National Pipeline Mapping System (NPMS). It further found that Idaho had violated 49 C.F.R. § 194.452(a) by failing to determine whether its pipeline system could affect a “High Consequence Area” (HCA).<sup>2</sup>

Subsequent to the March 2008 inspection, but prior to issuance of the Final Order, Idaho submitted certain information to PHMSA indicating that the company had pipeline segments that could affect an “Other Populated Area” near the Boise International Airport.<sup>3</sup> Because Idaho’s own analysis indicated that its pipeline system could affect an HCA, the Director issued to Idaho,

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<sup>1</sup> *In the Matter of Idaho Pipeline Corporation*, CPF No. 5-2008-5006 (December 5, 2008), available at [http://primis.phmsa.dot.gov/comm/reports/enforce/documents/520085006/520085006\\_FinalOrder\\_12052008.pdf?no\\_cache=3620](http://primis.phmsa.dot.gov/comm/reports/enforce/documents/520085006/520085006_FinalOrder_12052008.pdf?no_cache=3620).

<sup>2</sup> An HCA is defined as: (1) a *commercially navigable waterway*, which means a waterway where a substantial likelihood of commercial navigation exists; (2) a *high population area*, which means an urbanized area, as defined and delineated by the Census Bureau, that contains 50,000 or more people and has a population density of at least 1,000 people per square mile; (3) an *other populated area*, which means a place, as defined and delineated by the Census Bureau, that contains a concentrated population, such as an incorporated or unincorporated city, town, village, or other designated residential or commercial area; and (4) an *unusually sensitive area*, as defined in § 195.6. 49 C.F.R. § 195.450.

<sup>3</sup> Violation Report at 3.

by letter dated October 17, 2008, a Notice of Probable Violation and Proposed Compliance Order (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Idaho had violated 49 C.F.R. § 195.452(f) for failing to have an IMP and ordering the company to take certain measures to correct the alleged violation.

Idaho responded to the Notice by letter dated December 15, 2008 (Response), but did not contest the allegation of violation. Idaho did not request a hearing and therefore has waived its right to one.

### **FINDING OF VIOLATION**

In its Response, Idaho did not contest the allegation in the Notice that it violated 49 C.F.R. Part 195, as follows:

**Item 1:** The Notice alleged that Idaho violated 49 C.F.R. § 195.452(f), which states:

**§ 195.452 Pipeline integrity management in high consequence areas.**

(a) . . .

(f) *What are the elements of an integrity management program?* An integrity management program begins with the initial framework. An operator must continually change the program to reflect operating experience, conclusions drawn from results of the integrity assessments, and other maintenance and surveillance data, and evaluation of consequences of a failure on the high consequence area. An operator must include, at minimum, each of the following elements in its written integrity management program:

(1) A process for identifying which pipeline segments could affect a high consequence area;

(2) A baseline assessment plan meeting the requirements of paragraph (c) of this section;

(3) An analysis that integrates all available information about the integrity of the entire pipeline and the consequences of a failure (see paragraph (g) of this section);

(4) Criteria for remedial actions to address integrity issues raised by the assessment methods and information analysis (see paragraph (h) of this section);

(5) A continual process of assessment and evaluation to maintain a pipeline's integrity (see paragraph (j) of this section);

(6) Identification of preventive and mitigative measures to protect the high consequence area (see paragraph (i) of this section);

(7) Methods to measure the program's effectiveness (see paragraph (k) of this section);

(8) A process for review of integrity assessment results and information analysis by a person qualified to evaluate the results and information (see paragraph (h)(2) of this section).

The Notice alleged that Idaho had violated § 195.452(f) by failing to have a written IMP, even though information supplied by Respondent indicated that the company's pipeline system could affect an HCA. In its Response, Respondent did not contest the allegation and committed to developing an IMP. It also pledged to incorporate its existing system of historical records, current Facility Response Plan, and risk assessment data into the IMP. Accordingly, upon consideration of all of the evidence, I find that Respondent violated 49 C.F.R. § 195.452(f) by failing to have a written IMP that addressed the minimum requirements in 49 C.F.R. § 195.452(f).

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 a violation of 49 C.F.R. § 195.452(f). 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 ordered to take the following actions to ensure compliance with the pipeline safety regulations applicable to its operations. Respondent must—

1. Develop a written Integrity Management Plan (IMP).
2. Begin implementation of the IMP referenced in Item 1 of this Compliance Order.
3. Within 60 days of issuance of this Final Order, complete Items 1 and 2 of this Compliance Order, and submit the required documentation and procedures to Director, Western Region, Pipeline and Hazardous Materials Safety Administration, 12300 West Dakota Avenue, Suite 110, Lakewood, Colorado 80228.
4. Maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Director, Western Region. Costs shall be reported in two categories: 1) total cost associated with preparation/revision of plans, procedures, studies, and analyses; and 2) total costs associated with replacements, additions, and other changes to pipeline infrastructure.

The Director may grant an extension of time to comply with any of the required Items upon a written request timely submitted by the Respondent demonstrating good cause for an extension.

Failure to comply with this Order may result in administrative assessment of civil penalties not to exceed \$100,000 for each violation for each day the violation continues or in referral to the Attorney General for appropriate relief in a district court of the United States.

Under 49 C.F.R. § 190.215, Respondent has a right to submit a 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 terms of the order, including any required corrective action, shall remain in full force and effect unless the Associate Administrator, upon request, grants a stay. The terms and conditions of this Final Order shall be effective upon receipt.

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Jeffrey D. Wiese  
Associate Administrator  
for Pipeline Safety

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Date Issued