



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

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

MAY 27 2005

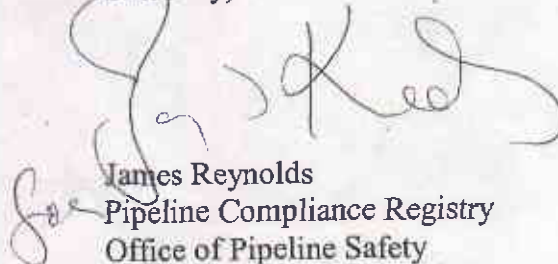
Mr. Edward R. Jacoby
Vice President, Wholesale Marketing & Distribution
The Premcor Refining Group, Inc.
1700 Putnam Avenue, Suite 500
Old Greenwich, CT 06870

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

RECEIVED JUN 03 2005

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 it's 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.¹

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.

¹This 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 it's 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 it's 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.

for


Stacey Gerard
Associate Administrator
for Pipeline Safety

MAY 27 2005
Date Issued