



U.S. Department
of Transportation
**Research and
Special Programs
Administration**

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

NOV 25 2003

Mr. Rick A. Olsen
Vice President, Pipeline Operations
Magellan Midstream Partners, L.P.
One Williams Center, Mail Drop 28-1
P. O. Box 22186
Tulsa, OK 74121-2186

RE: Mid-America Pipeline Company (CPF No. 3-2003-5001)

Dear Mr. Olson:

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 assesses a civil penalty of \$4,000. Your receipt of the Final Order constitutes service of that document under 49 C.F.R. § 190.5. I acknowledge receipt of, and accept your (Williams Energy Services) payment dated January 23, 2003 in the amount of \$4,000 as payment in full of the civil penalty assessed against MAPCO in the Final Order. MAPCO was owned by Williams Energy, which is now Magellan Midstream Partners, L.P. This case is now closed. Thank you for your cooperation in our joint effort to ensure pipeline safety.

Sincerely,

for

Gwendolyn M. Hill
Pipeline Compliance Registry
Office of Pipeline Safety

Enclosure

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

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

In the Matter of)
Mid-America Pipeline Company¹)
Respondent _____)

CPF No. 3-2003-5001

FINAL ORDER

On April 28 through May 2, 2002, 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 at Mid-America Pipeline (MAPCO) in Iowa City, IA. As a result of the inspection, the Director, Central Region, OPS, issued to Respondent, by letter dated January 15, 2003, 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 committed a violation of 49 C.F.R. §195.573 and proposed assessing a civil penalty of \$4,000 for the alleged violation.

Respondent failed to respond within 30 days after it had received the Notice. Respondent's failure to respond constitutes a waiver of Respondent's right to contest the allegations in the Notice and authorizes the entry of this Final Order. Respondent submitted payment in the amount of the proposed penalty (\$4,000), waiving further right to appeal.

FINDINGS OF VIOLATION

Respondent did not contest the alleged violation of § 195.573 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. §195.573 – failing to electrically check for proper performance of the critical bond located on Segment 64-4 at MP 54.04 in the Iowa City Unit at least six times each calendar year but with intervals not exceeding 2 ½ months, as the bond was only checked twice in 1999, four (4) times in 2000, and four (4) times in 2001.

This finding of violation will be considered a prior offense in any subsequent enforcement action taken against Respondent.

¹The payment was submitted by Williams Energy. MAPCO was owned by Williams Energy, which is now Magellan Midstream Partners, L.P.

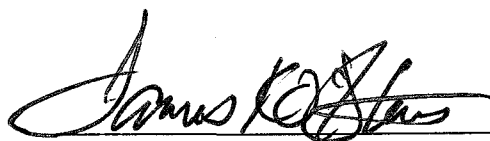
ASSESSMENT OF PENALTY

Under 49 U.S.C. § 60122, Respondent is subject to a civil penalty not to exceed \$100,000 per violation for each day of the violation up to a maximum of \$1,000,000 for any related series of violations.

49 U.S.C. § 60122 and 49 C.F.R. § 190.225 require that, in determining the amount of the civil penalty, I consider the following criteria: nature, circumstances, and gravity of the violation, degree of Respondent's culpability, history of Respondent's prior offenses, Respondent's ability to pay the penalty, good faith by Respondent in attempting to achieve compliance, the effect on Respondent's ability to continue in business, and such other matters as justice may require.

The Notice proposed a civil penalty of \$4,000 for violation of 49 C.F.R. §195.573, as Respondent failed to monitor external corrosion control on Segment 64-4 at MP 54.04 in the Iowa City Unit. Accordingly, having reviewed the record and considered the assessment criteria, I assessed Respondent a civil penalty of \$4,000, already paid by the Respondent.

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 filing of the petition automatically stays the payment of any civil penalty assessed. However if Respondent submits payment for the civil penalty, the Final Order becomes the final administrative decision and the right to petition for reconsideration is waived. The terms and conditions of this Final Order are effective on receipt.



Stacey Gerard
Associate Administrator
for Pipeline Safety

NOV 25 2003

Date Issued