



U.S. Department
of Transportation

Research and
Special Programs
Administration

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

JUL 29 2003

Mr. Andrew K. Turner
Vice President
Mobil Pipe Line Company
Post Office Box 2220
Houston, Texas 77252-2220

RE: CPF No. 1-2002-5004

Dear Mr. Turner:

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 \$25,000. The penalty payment terms are set forth in the Final Order. This enforcement action closes automatically upon payment. Your receipt of the Final Order constitutes service of that document under 49 C.F.R. § 190.5.

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
OFFICE OF PIPELINE SAFETY
WASHINGTON, DC 20590

In the Matter of)	
Mobil Pipe Line Company,)	CPF No. 1-2002-5004
Respondent.)	

FINAL ORDER

On July 26, 2001, a representative of the Office of Pipeline Safety (OPS) conducted an investigation of the January 24, 2001 accident involving Respondent's pipeline in Lancaster, Pennsylvania. As a result of the investigation, the Director, Eastern Region, OPS, issued to ExxonMobil Pipeline Company by letter dated July 2, 2002, a Notice of Probable Violation and Proposed Civil Penalty (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that ExxonMobil Pipeline Company had violated 49 C.F.R. § 195.402 and proposed assessing a civil penalty of \$25,000 for the alleged violation.

Mobil Pipe Line Company responded to the Notice by letter dated August 12, 2002 (Response). In its letter, Mobil Pipe Line Company acknowledged receipt of the Notice and stated, "The Lancaster Junction Station is owned and operated by [Mobil Pipe Line Company]. [ExxonMobil Pipeline Company] provides services to [Mobil Pipe Line Company] at the Lancaster Junction Station. After carefully reviewing the probable violations contained in the Notice, we take no exception. . . As a follow-up to the incident, we have implemented retraining and counseling to ensure adherence to [ExxonMobil Pipeline Company's "Job Safety Analyses"] and work permit procedures. [Mobil Pipe Line Company] will pay the penalty by wire transfer. . .".

Mobil Pipe Line Company has therefore identified itself as the true Respondent in this case. Respondent did not request a hearing, consequently Respondent waived its right to one.

FINDING OF VIOLATION

In its Response, Respondent did not contest the alleged violation in the Notice. Accordingly I find that Respondent violated the following section of 49 C.F.R. Part 195, as more fully described in the Notice:

49 C.F.R. § 195.402

- (a)-- failing to follow, for its Lancaster Junction facility, its manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies, before performing its hydrotest operation on July 24, 2001 such as securing work permits, completing a job safety analysis or notifying Respondent's Operations Control Center because the work could impact surveillance or control of the pipeline facilities; and
- (c)-- failing to include, in its manual, procedures for operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of Subparts F and H of Part 195.

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

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 \$25,000 for the violation. According to the Accident Report Respondent filed on August 28, 2001, ExxonMobil Pipeline Company employees performed a hydrostatic test on Respondent's 2.5 mile 4" spur line running into the Lancaster terminal on July 24, 2001. The spur line had been decommissioned and was isolated from the main line at the junction to Lancaster Terminal the day before. Unleaded gasoline was present in the main line, but was not flowing. It was under approximately 600 pounds of pressure. A blind flange was placed on the 4" check valve in preparation for bringing the spur line back into service. Upon completion of the hydrostatic test, a contractor's employee began loosening every other bolt from the blind flange on the 4" check valve. After the second bolt was loosened on the flange, a small amount of product began to leak from the flange. The mainline, on which the 4" check valve was attached, was still under pressure and the valves on both sides of the tee were open. When the contractor's employee learned that the line was still pressured, he re-tightened one of the bolts on the flange. A few moments later the flange gasket failed. Unleaded gasoline and its vapors were released from the flange and were ignited by the running diesel engine of a parked vehicle. Approximately 702 barrels were released, most of which were consumed by fire.

Respondent's investigation of the accident revealed that the ExxonMobil Pipeline Company project leader did not perform job safety analyses or detailed work procedures nor sought work permits before conducting the hydrotest. The investigation also revealed that the premature loosening of bolts to "save time" was a direct cause of the accident. Respondent did not ensure that the ExxonMobil Pipeline Company employees providing services to Respondent followed Respondent's manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This is somewhat surprising considering the fact that Respondent uses ExxonMobil Pipeline Company's "Safety Manual." The release date of the manual was March 2001.

Respondent's manual is detailed and specific regarding job safety analyses and work permits. The objective of the job safety analysis is "[t]o prevent accidents by identifying existing and potential hazards and taking actions to eliminate them or significantly reduce them to an acceptable level before a job begins." The work permit "ensures safe work practices are followed and provides documentation for work associated with Special Operations, Hot Work, Confined Space, and Control of Hazardous Energy." Hydrotesting is cited as an example of "Special Operations." Respondent is fortunate that the accident did not have more serious consequences. Had Respondent ensured that its manual was followed, the accident could have been avoided.

Respondent has not shown any circumstance that would justify reducing the civil penalty. Accordingly, having reviewed the record and considered the assessment criteria, I assess respondent a civil penalty of \$25,000. A determination has been made that Respondent has the ability to pay this penalty without adversely affecting its ability to continue in business.

Payment of the civil penalty must be made within 20 days of service. Federal regulations (49 C.F.R. 89.21(b)(3)) require this payment be made by wire transfer, through the Federal Reserve Communications system (Fedwire), to the account of the U.S. Treasury. Detailed instructions are contained in the enclosure. Questions concerning wire transfers should be directed to: Financial Operations Division (AMZ-120), Federal Aviation Administration, Mike Monroney Aeronautical Center, P.O. Box 25082, Oklahoma City, OK 73125; (405) 954-4719.

Failure to pay the \$25,000 civil penalty will result in accrual of interest at the current annual rate in accordance with 31 U.S.C. § 3717, 31 C.F.R. § 901.9 and 49 C.F.R. § 89.23. Pursuant to those same authorities, a late penalty charge of six percent (6%) per annum will be charged if payment is not made within 110 days of service. Furthermore, failure to pay the civil penalty may result in referral of the matter to the Attorney General for appropriate action in a United States District Court.

Under 49 C.F.R. § 190.215, Respondent has a right to petition for reconsideration of this Final Order. However, if the civil penalty is paid, the case closes automatically and Respondent waives the right to petition for reconsideration. The filing of the petition automatically stays the payment

of any civil penalty assessed. 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 and conditions of this Final Order are effective on receipt.



⁷¹ Stacey Gerard
Associate Administrator
for Pipeline Safety

JUL 29 2003

Date Issued