

**JUL 26 2010**

Mr. Manouch Daneshvar  
Vice President  
Marysville Hydrocarbons, LLC  
2510 Busha Highway  
Marysville, MI 48040

**Re: CPF No. 3-2009-5026**

Dear Mr. Daneshvar:

Enclosed please find the Final Order issued in the above-referenced case. It makes findings of violation and specifies actions that need to be taken by Marysville Hydrocarbons, LLC, to comply with the pipeline safety regulations. When the terms of the compliance order have been completed, as determined by the Director, Central Region, this enforcement action will be closed. Service of the Final Order by certified mail is deemed effective upon the date of mailing, or as otherwise provided 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. David Barrett, Director, Central Region, PHMSA

**CERTIFIED MAIL – RETURN RECEIPT REQUESTED [7005 1160 0001 0039 0713]**

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

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<b>In the Matter of</b>	)	
	)	
<b>Marysville Hydrocarbons, LLC,</b>	)	<b>CPF No. 3-2009-5026</b>
	)	
<b>Respondent.</b>	)	
	)	

**FINAL ORDER**

On April 27-May 1, 2009, 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 on-site pipeline safety inspection of the facilities and records of Marysville Hydrocarbons, LLC (Marysville or Respondent), at its highly volatile liquids terminal in Marysville, Michigan.

As a result of the inspection, the Director, Central Region, OPS (Director), issued to Respondent, by letter dated December 23, 2009, a Notice of Probable Violation, and Proposed Compliance Order. In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Marysville had violated 49 C.F.R. §§ 195.304 and 195.440(a) and proposed ordering Respondent to take certain measures to correct the alleged violations. The Notice also proposed finding that Respondent had committed certain other probable violations of 49 C.F.R. Part 195 and warning the company to take appropriate corrective action or be subject to future enforcement action.

Marysville responded to the Notice by letter dated January 26, 2010 (Response). The company did not contest the allegations of violation and provided information concerning the corrective actions it planned to take. Respondent did not request a hearing and therefore has waived its right to one.

**FINDINGS OF VIOLATION**

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

**Item 1:** The Notice alleged that Respondent violated 49 C.F.R. § 195.304, which states:

**§ 195.304 Test pressure.**

The test pressure for each pressure test conducted under this subpart must be maintained throughout the part of the system being tested for at least 4 continuous hours at a pressure equal to 125 percent, or more, of the maximum operating pressure and, in the case of a pipeline that is not visually inspected for leakage during the test, for at least an additional 4 continuous hours at a pressure equal to 110 percent, or more, of the maximum operating pressure.

The Notice alleged that Respondent violated 49 C.F.R. § 195.304 by failing to perform documented pressure tests as required. Specifically, the Notice alleged that portions of the facility were pressure tested for only one hour, rather than four or eight continuous hours, and that Respondent did not have proper documentation that included pressure charts.

Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 195.304 by failing to perform documented pressure tests as required.

**Item 6:** The Notice alleged that Respondent violated 49 C.F.R. § 195.440(a), which states:

**§ 195.440 Public awareness.**

(a) Each pipeline operator must develop and implement a written continuing public education program that follows the guidance provided in the American Petroleum Institute's (API) Recommended Practice (RP) 1162 (incorporated by reference, *see* § 195.3).

The Notice alleged that Respondent violated 49 C.F.R. § 195.440(a) by failing to develop a written continuing public education program that followed the guidance of API RP 1162.

Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 195.440(a) by failing to develop a written continuing public education program that followed the guidance of API RP 1162.

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 and 6 in the Notice for violations of 49 C.F.R. §§ 195.304 and 195.440(a), respectively. 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:

1. With respect to the violation of § 195.304 (**Item 1**), Respondent must:

(a) Develop a program and schedule for pressure testing the facility in a manner consistent with § 195.304, and must submit it to the Director, Central Region, for approval within 60 days of receipt of this Final Order. The program must include provisions for analysis of any failures, as well as re-evaluation of safe operating pressures and prioritization of test sections based on the results. Respondent must provide the Director with annual updates on the status of the pressure test program and must complete the program within five years of the date of this order; and

(b) To maintain safe conditions, Respondent must immediately reset the relief valves and high pressure shutdowns to protect the 1200 psig MOP until the facilities have been pressure tested.

2. With respect to the violation of § 195.440(a) (**Item 6**), Respondent must develop a written continuing public education program that meets the requirements of § 195.440, and must submit it to the Director, Central Region, for review within 60 days of receipt of this Final Order. Unless otherwise instructed by the Director, Central Region, Respondent must then implement the plan as submitted.

3. Respondent must maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to the Director, Central Region. Costs must be reported in two categories: 1) total cost associated with preparation/revision of plans, procedures, studies, and analyses, and 2) total cost 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 and demonstrating good cause for an extension.

Failure to comply with this Order may result in the 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.

### **WARNING ITEMS**

With respect to Items 2, 3, 4, and 5, the Notice alleged probable violations of Part 195 but did not propose a civil penalty or compliance order for these items. Therefore, these are considered to be warning items. The warnings were for:

49 C.F.R. § 195.404(b) (**Item 2**) — Respondent's alleged failure to maintain daily operating records indicating the discharge pressure at each pump station. Specifically, the Notice alleged that from approximately April 2008 to February 2009, Marysville's new SCADA system did not record discharge pressures for pumps located in the company's storage fields;

49 C.F.R. § 195.410(a) (**Item 3**) — Respondent's alleged failure to place the proper line markers at one road crossing. Specifically, the Notice alleged that the markers at a road crossing stated the wrong operator name, product, and telephone number;

49 C.F.R. § 195.420(b) (**Item 4**) — Respondent's alleged failure to inspect each mainline valve at least twice each calendar year, at intervals not exceeding 7 ½ months. Specifically, the Notice alleged that Respondent inspected its mainline valves only once each calendar year and had not classified certain valves as mainline valves; and

49 C.F.R. § 195.428(a) (**Item 5**) — Respondent's alleged failure to inspect its high pressure shutdown switches and control valves at least twice per calendar year.

Marysville presented information in its Response showing that it had taken certain actions to address the cited items. Accordingly, having considered such information, I find, pursuant to 49 C.F.R. § 190.205, that probable violations of 49 C.F.R. § 195.404(b) (Notice Item 2), 49 C.F.R. § 195.410(a) (Notice Item 3), 49 C.F.R. § 195.420(b) (Notice Item 4), and 49 C.F.R. § 195.428(a) (Notice Item 5) have occurred and Respondent is hereby advised to correct such conditions. In the event that OPS finds a violation of any of these provisions in a subsequent inspection, Respondent may be subject to future enforcement action.

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

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Jeffrey D. Wiese  
Associate Administrator  
for Pipeline Safety

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Date Issued