



BIG WEST OF CALIFORNIA, LLC
A FLYING J Company

08-04-09P01:39 RCVD

6451 Rosedale Highway • Bakersfield, CA 93308 • Phone 661.326.4200 • www.flyingj.com

Certified Mail

7007 2560 0002 3054 6791

July 28, 2009

Mr. Chris Hoidal, PE
Regional Director, Western Region
Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration (PHMSA)
12300 W. Dakota Avenue, Suite 110
Lakewood, Colorado 80228

SENT TO COMPLIANCE REGISTRY

Hardcopy Electronically
of Copies 1 / Date 8-4-09

Re: Big West of California, LLC - CPF 5-2009-0019

Dear Mr. Hoidal,

Request for Reduction in Proposed Civil Penalty

Big West of California, LLC is *requesting a reduction in the proposed civil penalty*. Big West of California has reviewed the Notice of Probable Violation, Proposed Civil Penalty and Proposed Compliance Order, CPF 5-2009-0019 sent to us on July 2, 2009 in regards to an inspection conducted at our Bakersfield, California facility on March 24-25, 2009. After thorough review, Big West of California LLC wishes to offer the following information which we hope will provide PHMSA with some insight into our operations and thus help mitigate a reduction in the proposed civil penalty.

Information to Help Mitigate a Reduction in Proposed Civil Penalty

1. First PHMSA Pipeline Audit Resulting in a Civil Penalty

This is the first PHMSA audit resulting in a fine. As such, Big West of California believes the proposed civil penalty is excessive for a first time fine. Big West of California began operation of the pipelines in March of 2005. Since that time there have been two previous PHMSA audits and one California State Fire Marshall (CSFM) audit. There were only minor findings and no fines associated with these previous audits.

2. Improvements in Big West of California O&M of Pipeline Tasks

In an effort to improve the operations and maintenance (O&M) of the Big West of California pipelines Dick Brown Technical Services (DBTS) was hired under contract to perform all of the O&M tasks on the North of the River (NOR) gas transmission pipeline

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in November of 2005. After witnessing the success and professionalism in the way that DBTS conducted their work, Big West of California expanded the DBTS contract to include additional pipelines. This new contract includes the pipeline that is the subject of this audit response, the fuel gas pipeline. As noted during the fuel gas pipeline audit by PHMSA, all O&M records were in compliance from the time frame that DBTS began operations September 2008.

3. Improvements in Big West of California Integrity and Safety of Pipelines

In an effort to improve the integrity and safety of the Big West of California pipelines, funding is currently approved to make the fuel gas pipeline piggable. The amount approved is \$200,000. Work is currently under way for this improvement.

4. Big West of California, LLC – Chapter 11 Bankruptcy Filing

As noted in previous correspondence, Flying J Inc., Big West of California, LLC and other affiliates filed voluntary petitions for relief under title 11 of the United States Code in the United States Bankruptcy Court in the District of Delaware on December 22, 2008. Even with the bankruptcy filing Big West has committed to the improvements noted above.

Summary

Please understand that Big West of California seeks a *reduction in the proposed civil penalty* and resolution to these violations as quickly as possible and hope you take into the consideration the aforementioned facts and information on our behalf. Big West believes that money spent on improvements to the pipelines safety and integrity is better spent for the benefit of public safety than money spent on civil penalties.

Please also be advised that the violations outlined in your letter have been addressed and we are presently in compliance.

Thank you for your time and consideration in addressing this matter.

Sincerely,



Gene Cotten
Vice President and General Manager
Big West of California, LLC

cc MADenis
DBTS