

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

May 17, 2012

Mr. Bill Nicholson
Manager
Kelso-Beaver Pipeline
121 SW Salmon Street
Portland, OR 97204

CPF 5-2012-1009W

Dear Mr. Nicholson:

On November 7-10, 2011, a representative of the Washington Utilities and Transportation Commission (WUTC), on behalf of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected your Kelso-Beaver (KB) Pipeline located in Cowlitz County, Washington.

As a result of the inspection, it appears that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violation is:

§192.707 Line markers for mains and transmission lines.

(d) Marker warning. The following must be written legibly on a background of sharply contrasting color on each line marker:

(2) The name of the operator and telephone number (including area code) where the operator can be reached at all times.

The incorrect operator phone number was on the line marker for approximately seven (7) months. The operator for the KB Pipeline was changed from Cascade Natural Gas to KB Pipeline on April 1, 2011. The emergency phone number 800-433-0252, however, remained the same. During our field inspection, it was found that the emergency phone number was incorrectly printed as 800-433-1252 on all of the newly

installed markers. Further investigation revealed that the incorrect phone number was due to an error made when ordering the new markers.

Upon discovery of the mistake, Kelso-Beaver Pipeline immediately ordered new markers. By Saturday November 12, 2011, all the markers with the incorrect phone number had been replaced with markers that met the requirements of §192.707(d).

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$100,000 for each violation for each day the violation persists up to a maximum of \$1,000,000 for any related series of violations. We have reviewed the circumstances and supporting documents involved in this case, and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to correct the item(s) identified in this letter. Failure to do so will result in Kelso-Beaver Pipeline being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 5-2012-1009W**. Be advised that all material you submit in response to this enforcement action is subject to being made publicly available. If you believe that any portion of your responsive material qualifies for confidential treatment under 5 U.S.C. 552(b), along with the complete original document you must provide a second copy of the document with the portions you believe qualify for confidential treatment redacted and an explanation of why you believe the redacted information qualifies for confidential treatment under 5 U.S.C. 552(b).

Sincerely,

Chris Hoidal
Director, Western Region
Pipeline and Hazardous Materials Safety Administration

cc: David Lykken, Washington UTC
PHP-60 Compliance Registry
PHP-500 R. Reineke (#137313)