

Mr. Bill Stewart  
President  
Blue Star Gas Company  
P.O. Box 456  
Garberville, CA 95531

Re: CPF 53010

Dear Mr. Stewart:

Enclosed is the Final Order issued by the Associate Administrator for Pipeline Safety in the above-referenced case. It makes findings of violation, requires certain corrective action, and assesses a civil penalty of \$550. The penalty payment terms are set forth in the Final Order. 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 )		
Blue Star Gas Company, )		CPF No. 53010
Respondent. )		
_____ )		

FINAL ORDER

During the week of April 12, 1993, pursuant to 49 U.S.C. § 60117, a representative of the Office of Pipeline Safety (OPS) conducted an onsite pipeline safety inspection of Respondent's pipeline facilities and records in Garberville and Crescent City, California. As a result of the investigation, the Director, Western Region, OPS, issued to Respondent, by letter dated June 21, 1993, a Notice of Probable Violation, Proposed Civil Penalty, and Proposed Compliance Order (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Respondent had violated 49 C.F.R. §§ 192.225, 192.227, 192.283, 192.453, 192.465(a), 192.603(b), 192.605, 192.615(a), 192.617, 192.747, and 199.7(a), proposed assessing a civil penalty of \$550 for one of the alleged violations, and proposed that Respondent take certain measures to correct the alleged violations.

Respondent did not respond to the Notice, thereby waiving further right to respond and authorizing the entry of this Final Order.

FINDINGS OF VIOLATION

Respondent did not contest the following alleged violations. Accordingly, I find that Respondent violated the following sections of 49 C.F.R. Part 192, as more fully described in the Notice:

49 C.F.R. § 192.225(a) and (b) -- failing to have procedures to indicate that welding must be performed by a qualified welder in accordance with welding procedures qualified to produce welds meeting the regulatory requirements, and to record each welding procedure in detail;

49 C.F.R. § 192.227(a) and (b) -- failing to have procedures to indicate that each welder is qualified and to keep records of qualifying tests;



49 C.F.R. § 192.283 -- failing to have written procedures for making plastic pipe joints;

49 C.F.R. § 192.453 -- failing to have procedures for the design, installation, operation, and maintenance of cathodic protection systems, performed by a person qualified by experience and training in pipeline corrosion control methods;

49 C.F.R. § 192.465(a) -- failing to have records showing that Respondent was testing its pipeline at least once each calendar year, at intervals not exceeding 15 months;

49 C.F.R. § 192.603(b) -- failing to have a written operating and maintenance plan meeting the requirements of §§ 192.459 and 192.475(b), for examination of internal and external corrosion control;

49 C.F.R. § 192.605(f) -- failing to have procedures enabling personnel who perform operation and maintenance activities to recognize conditions that potentially may be safety-related conditions that are subject to the reporting requirements of § 191.23;

49 C.F.R. § 192.615(a) -- failing to establish written procedures to minimize the hazard resulting from a gas pipeline emergency;

49 C.F.R. § 192.617 -- failing to establish procedures for analyzing accidents and failures for the purpose of determining the causes of the failure and minimizing the possibility of a recurrence;

49 C.F.R. § 192.747 -- failing to check and service each valve that may be necessary for the safe operation of a distribution system at intervals not exceeding 15 months, but at least once each calendar year; and

49 C.F.R. § 199.7 -- failing to maintain and follow a written anti-drug plan that conforms to the requirements set out in 49 C.F.R. Part 199 and 49 C.F.R. Part 40.

These findings of violation will be considered as prior offenses in any subsequent enforcement action taken against Respondent.

### COMPLIANCE ORDER

Under 49 U.S.C. § 60118(a), each person who engages in the transportation of gas 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 hereby ordered to take the following actions to ensure compliance with the pipeline safety regulations applicable to its operations.

1. Establish written welding procedures meeting the requirements of 49 C.F.R. § 192.225.
2. Establish written welding qualification procedures meeting the requirements of 49 C.F.R. § 192.227.
3. Establish a written plastic joining procedure meeting the requirements of 49 C.F.R. § 192.283. The procedures must include qualification of joints.
4. Establish written procedures meeting the requirements of 49 C.F.R. § 192.453, for implementation of the corrosion control requirements of Part 192, Subpart I. These procedures must provide that a qualified person carry out the procedures.
5. Establish written procedures meeting the requirements of 49 C.F.R. § 192.459 for inspection of the external surface when buried pipeline is exposed.
6. Establish written procedures meeting the requirements of 49 C.F.R. § 192.465(a) to monitor each pipeline under cathodic protection at least once each calendar year, not to exceed 15 months.
7. Establish written procedures meeting the requirements of 49 C.F.R. § 192.475(b) for examination of pipe, when removed from a pipeline for any reason, and the remedial action to be taken when evidence of internal corrosion is found.
8. Establish written procedures meeting the requirements of 49 C.F.R. § 192.605(f) to include written instructions enabling personnel who perform operations and maintenance activities to recognize conditions that potentially may be safety-related conditions that are subject to the reporting requirements of § 191.23.
9. Establish written procedures to minimize the hazard resulting from a gas pipeline emergency meeting the requirements of 49 C.F.R. § 192.615.

10. Establish written procedures meeting the requirements of 49 C.F.R. § 192.617 for analyzing accidents and failures, for the purpose of determining the causes of the failure and minimizing the possibility of recurrence.
11. Establish a written anti-drug plan that conforms to the requirements of 49 C.F.R. Parts 40 and 199.
12. The above items shall be accomplished within 120 days following receipt of this Final Order. (The Regional Director may grant an extension of time upon receipt of a written request stating the reasons therefor, for completion of any of the actions required herein.)
13. Submit to the Director, Western Region, Office of Pipeline Safety, Research and Special Programs Administration, 12600 West Colfax Avenue, Suite A250, Lakewood, Colorado 80215.

#### ASSESSMENT OF PENALTY

Under 49 U.S.C. § 60122, Respondent is subject to a civil penalty not to exceed \$25,000 per violation for each day of the violation up to a maximum of \$500,000 for any related series of violations.

49 U.S.C. § 60122 and 49 U.S.C. § 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 assessing a civil penalty of \$550 for failure to comply with 49 C.F.R. § 192.747 (Item 11 in the Notice). No information has been offered to mitigate the proposed penalty. I find Respondent has the ability to pay the assessed civil penalty and such a penalty will not affect Respondent's ability to continue in business. Accordingly, having reviewed the record and considered the assessment criteria, I assess Respondent a civil penalty of \$550.

**Payment** of the civil penalty **must be made within 20 days of service**. Payment can be made by sending a certified check or money order (containing the CPF Number for this case) payable to " U.S. Department of Transportation" to the Federal Aviation Administration, Mike Monroney Aeronautical Center, Financial Operations Division (AMZ-320), P.O. Box 25770, Oklahoma City, OK 73125.

Federal regulations (49 C.F.R. § 89.21(b)(3)) also permit this **payment to 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.** After completing the wire transfer, send a copy of the **electronic funds transfer receipt** to the **Office of the Chief Counsel** (DCC-1), Research and Special Programs Administration, Room 8407, U.S. Department of Transportation, 400 Seventh Street, S.W., Washington, D.C. 20590-0001.

**Questions** concerning wire transfers should be directed to: **Valeria Dungee**, Federal Aviation Administration, Mike Monroney Aeronautical Center, Financial Operations Division (AMZ-320), P.O. Box 25770, Oklahoma City, OK 73125; **(405) 954-4719**.

Failure to pay the \$550 civil penalty will result in accrual of interest at the current annual rate in accordance with 31 U.S.C. § 3717, 4 C.F.R. § 102.13 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 an United States District Court.

Under 49 U.S.C. § 190.215, Respondent has a right to 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. All other terms of the order, including any required corrective action, shall remain in full effect unless the Associate Administrator, upon request, grants a stay.

Failure to comply with this Final Order may result in the assessment of civil penalties of up to \$25,000 per violation per day, or in the referral of the case for judicial enforcement. The terms and conditions of this Final Order are effective upon receipt.

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Richard B. Felder  
Associate Administrator for Pipeline Safety

Date Issued: 08/10/1997