



U.S. Department  
Of Transportation  
**Pipeline and  
Hazardous Materials  
Safety Administration**

820 Bear Tavern Road, Suite 103  
West Trenton, NJ 08628  
**609.989.2171**

**NOTICE OF PROBABLE VIOLATION  
and  
PROPOSED CIVIL PENALTY**

**OVERNIGHT EXPRESS DELIVERY**

July 01, 2015

Fred Martin  
Vice President of Supply and Transportation  
Kiantone Pipeline Corporation  
15 Bradley Street  
Warren, PA 16365

**CPF 1-2015-5010**

Dear Mr. Martin:

From June 9 to June 27, 2014, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States inspected the Kiantone Pipeline Corporation's (Kiantone) pipeline facilities in Warren, Pennsylvania.

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 item inspected and the probable violation is:

**1. §195.428 Overpressure safety devices and overfill protection systems.**

**(a) Except as provided in paragraph (b) of this section, each operator shall, at intervals not exceeding 15 months, but at least once each calendar year, or in the case of pipelines used to carry highly volatile liquids, at intervals not to exceed 7½ months, but at least twice each calendar year, inspect and test each pressure limiting device, relief valve, pressure regulator, or other item of pressure control equipment to determine that it is functioning properly, is in good mechanical condition, and is adequate from the standpoint of capacity and reliability of operation for the service in which it is used.**

Kiantone failed to inspect and test each pressure relief valve at intervals not exceeding 15 months, but at least once each calendar year.

During the inspection, the PHMSA inspector reviewed relief valve inspection records for 2011, 2012, and 2013. The records show that Kiantone inspected four relief valves at the Warren Tank Farm on December 2, 2011. The next inspection on these relief valves was March 14, 2013. Kiantone failed to inspect the valves in 2012.

Proposed Civil Penalty

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$200,000 per violation per day the violation persists up to a maximum of \$2,000,000 for a related series of violations. For violations occurring prior to January 4, 2012, the maximum penalty may not exceed \$100,000 per violation per day, with a maximum penalty not to exceed \$1,000,000 for a related series of violations. The Compliance Officer has reviewed the circumstances and supporting documentation involved in the above probable violation(s) and has recommended that you be preliminarily assessed a civil penalty of \$22,600 as follows:

<u>Item number</u>	<u>PENALTY</u>
1	\$22,600

Response to this Notice

Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Compliance Proceedings*. Please refer to this document and note the response options. All material submit in response to this enforcement action may be 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). If you do not respond within 30 days of receipt of this Notice, this constitutes a waiver of your right to contest the allegations in this Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further notice to you and to issue a Final Order.

In your correspondence on this matter, please refer to CPF 1-2015-5010 and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Byron Coy, PE  
 Director, Eastern Region  
 Pipeline and Hazardous Materials Safety Administration

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*