



U.S. Department
of Transportation
**Research and
Special Programs
Administration**

400 Seventh St., S.W.
Washington, D.C. 20590

AUG - 8 2003

Mr. Patrick M. McCann
Senior Vice President, Operations
Koch Pipeline Company, LP
4111 East 37th Street, North
Wichita, KS 67201

Re: CPF No. 3-2003-5002

Dear Mr. McCann:

Enclosed is the Final Order issued by the Associate Administrator for Pipeline Safety in the above-referenced case. It makes a finding of violation and assesses a civil penalty for the violation. Your receipt of the Final Order constitutes service of that document under 49 C.F.R. § 190.5.

I acknowledge receipt of, and accept your wire transfer dated March 18, 2003 for \$15,000 as payment in full of the civil penalty assessed in the Final Order. This case is now closed and no further enforcement action is contemplated with the respect to the matters involved in this case. Thank you for your cooperation in our joint effort to ensure pipeline safety.

Sincerely,

for

Gwendolyn M. Hill
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)
)
Koch Pipeline Company, LP)
)
Respondent. _____)

CPF No. 3-2003-5002

FINAL ORDER

On December 20, 2001, pursuant to 49 U.S.C. § 60117, a representative of the Office of Pipeline Safety (OPS) conducted an incident investigation of Respondent's facility in Kossuth County, Iowa. As a result of the inspection, the Director, Central Region, OPS, issued to Respondent, by letter dated February 20, 2003, a Notice of Probable Violation and Proposed Civil Penalty (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Respondent had committed violation of 49 C.F.R. § 195.402 and proposed assessing a civil penalty of \$15,000 for the alleged violation.

FINDINGS OF VIOLATION

Respondent did not contest alleged violation § 195.402 in the Notice. Accordingly, I find that Respondent violated the following section of 49 C.F.R. Part 195, as more fully described in the Notice:

49 C.F.R. § 195.402 -- failure to follow written procedures for conducting normal operations of maintaining clearance between the pipeline and excavating equipment while working on the pipeline.

This finding of violation will be considered a prior offense in any subsequent enforcement action taken against Respondent.

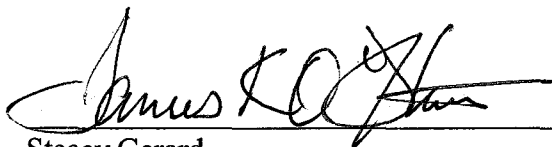
ASSESSMENT OF PENALTY

Under 49 U.S.C. § 60122, Respondent is subject to a civil penalty not to exceed \$100,000 per violation for each day of the violation up to a maximum of \$1,000,000 for any related series of violations.

49 U.S.C. § 60122 AND 49 C.F.R. § 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.

I assess a civil penalty in the amount of \$15,000, already paid by Respondent. The terms and conditions of this Final Order are effective upon receipt.



Stacey Gerard

for Associate Administrator
for Pipeline Safety

AUG - 8 2003

Date Issued