



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

MAR 14 2007

901 Locust Street, Suite 462
Kansas City, MO 64106-2641

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

March 12, 2007

Mr. Bob White
Manager Regulatory Compliance
Center Terminal Company
600 Mason Ridge Center Drive
St. Louis, MO 63141

CPF 3-2007-5011W

Dear Mr. White:

On November 27 and 28, 2006, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) Central Region pursuant to Chapter 601 of 49 United States Code inspected your hazardous liquid pipeline in Toledo, Ohio.

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:

1. **§195.402 Procedural manual for operations, maintenance, and emergencies.**

§195.402(a) requires that each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies.

Additionally;

§195.401(b) requires that whenever an operator discovers any condition that could adversely affect the safe operation of its pipeline system, it shall correct it within a reasonable time. However, if the condition is of such a nature that it presents an immediate hazard to persons or property, the operator may not operate the affected part of the system until it has corrected the unsafe condition.

Center Terminal personnel did not follow procedures for maintaining their mainline valve in good working order per their Operation and Maintenance Manual. As a result, the River Isolation mainline block valve on the east side of the Maumee River that is essential to isolating the river should a failure occur was not operating properly for 2005-2006, according to your records.

Center Terminal's Procedure 580 requires that "each valve that is necessary for the safe operation of the system is to be maintained in good working order". Review of Center Terminal's records found that the inspections for River Isolation mainline block valve indicated that the mainline valve "can not be closed" during the inspections on 3/7/05, 9/13/05, 3/28/06, and 9/27/06. Your personnel indicated discussions were in process to replace the faulty valve but no timely efforts were made to repair the valve. During the field evaluation portion of the audit, it was discovered that the valve operated satisfactorily. According to your procedures, a more thorough valve investigation and repair should have been completed as soon as company personnel became aware of valve issue.

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 violations 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 identified in this letter. Failure to do so will result in Center Terminal Company - Toledo 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 3-2007-5011W**. 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,



Ivan A. Huntoon

Director, Central Region

Pipeline and Hazardous Materials Safety Administration