



US Department
of Transportation

**Research and
Special Programs
Administration**

400 Seventh St S W
Washington D C 20590

NOV 30 2004

Mr. Pat McCann
President
Koch Pipeline Company
P.O. Box 2913
Wichita, KS 67201-2913

RE: CPF No. 34523

Dear Mr. McCann:

Enclosed is the Final Order issued by the Associate Administrator for Pipeline Safety in the above-referenced case. It makes findings of violation and finds that you have completed the actions proposed in the Notice. This case is now closed. Your receipt of the Final Order constitutes service of that document under 49 C.F.R. § 190.5.

Sincerely,

**James Reynolds
Pipeline Compliance Registry
Office of Pipeline Safety**

Enclosure

cc: Mr. Ivan Huntoon, Director, Central Region, OPS
Mr. Charles Kenow, Administrator, Minnesota Office of Pipeline Safety

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 INDUSTRIES,)

Respondent.)

CPF No. 34523 |

FINAL ORDER

On October 5-7, 1993, pursuant to 49 U.S.C. § 60117, representatives of the Minnesota Office of Pipeline Safety (MnOPS), as agent for the Office of Pipeline Safety (OPS) conducted an on-site pipeline safety inspection of Respondent's facilities and records near Cottage Grove, MN. As a result of the inspection, the Director, Central Region, OPS, issued to Respondent, by letter dated September 6, 1994, a Notice of Probable Violation, Proposed Compliance Order and Notice of Amendment (Notice). In accordance with 49 C.F.R. §190.207, the Notice proposed finding that Respondent had committed violations of 49 C.F.R. Part195 and proposed that Respondent take certain measures to correct the alleged violations. The Notice also proposed, in accordance with 49 C.F.R. § 190.237, that Respondent amend its procedures for Operations, Maintenance and Emergencies.

Respondent responded to the Notice by letter dated September 23, 1994 (Response). Respondent did not contest the allegation of violation but provided information concerning the corrective actions it has taken. Respondent did not request a hearing, and therefore has waived the right to one.

FINDINGS OF VIOLATION

Respondent did not contest the alleged violations in the Notice. Accordingly, I find that Respondent violated 49 C.F.R. Part 195, as more fully described in the Notice:

49 C.F.R. § 195.110 – failing to install permanent supports at the crossover valve station located north of the Koch Refinery since the original construction.

49 C.F.R. §195.412(a) - failing to inspect the surface conditions on or adjacent to each pipeline right-of-way within the required interval, as the view of aerial patrols are obstructed by a mature section of trees along the R-O-W north of the crossover valve station near the Koch Refinery.

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

COMPLIANCE ORDER

The Notice proposed a compliance order with respect to Items 1 and 5 in the Notice for violations of 49 C.F.R. §§ 195.110 and 195.412. Under 49 U.S.C. § 60118(a), each person who engages in the transportation of hazardous liquids or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under chapter 601. The Regional Director has indicated that Respondent has taken the following actions specified in the proposed compliance order:

1. Installed permanent supports for the valve sites located at the crossover valve station north of the Koch Refinery at Pine Bend.
2. Cleared the R-O-W north of the crossover valve station near the Koch Refinery at Pine Bend.

Accordingly, since compliance has been achieved with respect to these violations, the compliance terms are not included in this Order.

AMENDMENT OF PROCEDURES

The Notice, in Item 3, alleged inadequacies in Respondent's Operations, Maintenance and Emergencies Manual and proposed to require amendment of Respondent's procedures to comply with the requirements of 49 C.F.R. §195.402(c).

In its response, Respondent submitted copies of its amended procedures, which the Director, Central Region, OPS reviewed. Accordingly, based on the results of this review, I find that Respondent's original procedures as described in the Notice were inadequate to ensure safe operation of its pipeline system, but that Respondent has corrected the identified inadequacies. No need exists to issue an order directing amendment.

WARNING ITEMS

The Notice did not propose a civil penalty or corrective action for Item 2, Item 4 and Item 6 in the Notice; therefore, these are considered warning items. Respondent is warned that if it does not take appropriate action to correct this item, enforcement action will be taken if a subsequent inspection reveals a violation.

Under 49 C.F.R. § 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 terms of the order, including any required corrective action, remain in full effect unless the Associate Administrator, upon written request, grants a stay. The terms and conditions of this Final Order are effective upon receipt.

A handwritten signature in cursive script, appearing to read "S. Gerard for", is written over a horizontal line.

Stacey Gerard
Associate Administrator
for Pipeline Safety

NOV 30 2004

Date Issued