



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

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

MAY - 2 2006

Leonard W. Mallett
Senior Vice President, Operations
TEPPCO Partners, L.P.
2929 Allen Pkwy
Houston, TX 77019-2118

Re: CPF No. 4-2005-5035

Dear Mr. Mallett:

Enclosed is the Final Order issued by the Associate Administrator for Pipeline Safety in the above-referenced case. It makes findings of violation and assesses a civil penalty. I acknowledge receipt of and accept your wire transfer of \$43,000 as payment in full of the civil penalty assessed in the Final Order. The Final Order specifies actions to be taken to comply with the pipeline safety regulations. When the terms of the compliance order are completed, as determined by the Director, Southwest Region, OPS, this enforcement action will be closed. Your receipt of this Final Order constitutes service under 49 C.F.R. § 190.5.

Sincerely,

James Reynolds
Pipeline Compliance Registry
Office of Pipeline Safety

Enclosure

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, DC 20590

_____)
In the Matter of)

TEPPCO Partners, L.P.,)

Respondent)
_____)

CPF No. 4-2005-5035

FINAL ORDER

On October 1–2, 2003, pursuant to 49 U.S.C. § 60117, a representative of the Pipeline and Hazardous Materials Safety Administration, Office of Pipeline Safety (OPS) conducted an on-site pipeline safety inspection of Respondent's Operator Qualification (OQ) Plan, records and procedures in Houston, Texas. As a result of the inspection, the Director, Southwest Region, OPS, issued to Respondent, by letter dated September 9, 2005, 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 committed violations of 49 C.F.R. Part 195 and proposed assessing a civil penalty of \$43,000 for one of the violations. The Notice also proposed ordering Respondent to take certain measures to correct the alleged violations.

Respondent responded to the Notice by letter dated October 12, 2005. Respondent provided information in explanation of the allegations and agreed to comply with the Proposed Compliance Order. Respondent submitted a wire transfer in the amount of the proposed civil penalty (\$43,000), waiving further right to respond and authorizing the entry of this Final Order with prejudice to the Respondent. Pursuant to 49 C.F.R. § 190.213 and 49 U.S.C. § 60122, I find Respondent violated the following sections of 49 C.F.R. Part 195, as more fully described in the Notice:

49 C.F.R. § 195.505(a) – failing to properly identify covered tasks. Several definitions in Respondent's OQ program conflict with regulatory definitions and clarifications published by OPS. As a result, Respondent's OQ program may allow certain covered tasks to be performed by unqualified individuals.

49 C.F.R. §§ 195.505(b) and 195.503 – failing to ensure through evaluation that each individual performing a covered task is qualified. Evaluations that were based on work performance history reviews did not document that Respondent had considered whether covered tasks, performed prior to October 26, 1999, were performed on a regular basis and performed satisfactorily. The evaluations also did not document whether the individuals had been trained and tested in Abnormal Operating Conditions.

These findings of violation will be considered prior offenses in any subsequent enforcement action taken against Respondent. Having reviewed the record and considered the assessment criteria, I assess Respondent a civil penalty of \$43,000, already paid by Respondent.

COMPLIANCE ORDER

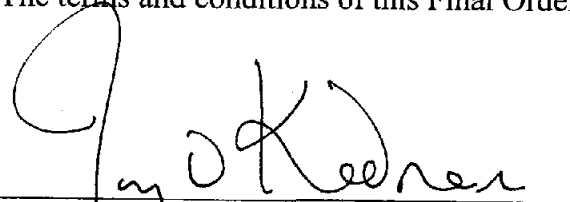
The Notice proposed a compliance order with respect to the violations. Under 49 U.S.C. § 60118(a), each person who engages in the transportation of hazardous liquids or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under Chapter 601. Pursuant to the authority of 49 U.S.C. § 60118(b) and 49 C.F.R. § 190.217, Respondent is ordered to take the following actions to ensure compliance with the pipeline safety regulations applicable to its operations. Respondent must—

1. Review OQ Plan definitions and make necessary corrections in accordance with Federal pipeline safety regulations and published clarifications. Identify “new” covered tasks that result from revising the definitions. Incorporate into the OQ Covered Task List each “new” covered task and develop an evaluation methodology to be used and corresponding criteria (procedures). Complete this Item and submit documentation of compliance within 90 days of receipt of this Order.
2. Ensure through evaluation that each individual, including contractor personnel, performing a “new” covered task (identified pursuant to Item 1) is qualified to perform that task. Use evaluation methods developed pursuant to Item 1 in accordance with 49 C.F.R. § 195.503. Complete this Item and submit documentation of compliance within 120 days of receipt of this Order.
3. Reevaluate all individuals performing covered tasks who were transitionally qualified using work performance history reviews as the sole evaluation method. Reevaluations must be in accordance with Respondent’s OQ Plan procedures for reevaluations and must determine whether individuals are competent to perform the covered tasks and recognize and react to abnormal operating conditions. Complete this Item and submit documentation of compliance within 90 days of receipt of this Order.
4. Information required to be submitted pursuant to this Order, including documentation that each Item has been completed, shall be submitted to the Director, Southwest Region, Office of Pipeline Safety, 8701 S. Gessner Dr., Suite 1110, Houston, TX 77074-2949.

The Director, Southwest Region, OPS may grant an extension of time to comply with any of the required Items upon a written request timely submitted by the Respondent demonstrating good cause for an extension.

Failure to comply with this Final Order may result in the assessment of civil penalties of up to \$100,000 per violation per day, or in the referral of the case for judicial enforcement.

The terms and conditions of this Final Order are effective on receipt.



for

Stacey Gerard
Associate Administrator
for Pipeline Safety

MAY - 2 2006

Date Issued