NOTICE OF PROBABLE VIOLATION and PROPOSED COMPLIANCE ORDER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

October 17, 2008

Mr. Robert Rose
Idaho Pipeline Corporation
P.O. Box 35236
Sarasota, FL 34232

Dear Mr. Rose

On March 6, 2008, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected your Integrity Management Program (IMP) in Boise, Idaho. As a result of the inspection, the IDPC was issued a Notice of Probable Violation and Proposed Compliance Order on March 14, 2008. The Proposed Compliance Order required submittal of mapping data to the Federal National Pipeline Mapping system (NPMS), and to conduct a study to determine whether your aviation fuel pipelines could affect a High Consequence Area (HCA).

The IDPC submitted its response to the Notice on July 8, 2008. This office reviewed the response to the Notice and it does appear that the IDPC pipeline system could affect HCA. As a result of the inspection and subsequent review of information submitted by IDPC, it now appears do not comply with other aspects of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The item inspected and the probable violation is.
1. §195.452 Pipeline integrity management in high consequence areas.

(f) What are the elements of an integrity management program? An integrity management program begins with the initial framework. An operator must continuously change the program to reflect operating experience, conclusions drawn from results of the integrity assessments, and other maintenance and surveillance data, and evaluation of consequences of a failure on the high consequence area. An operator must include, at minimum, each of the following elements in its written integrity management program:

(1) A process for identifying which pipeline segments could affect a high consequence area;

(2) A baseline assessment plan meeting the requirements of paragraph (c) of this section;

(3) An analysis that integrates all available information about the integrity of the entire pipeline and the consequences of a failure (see paragraph (g) of this section);

(4) Criteria for remedial actions to address integrity issues raised by the assessment methods and information analysis (see paragraph (h) of this section);

(5) A continual process of assessment and evaluation to maintain a pipeline's integrity (see paragraph (j) of this section);

(6) Identification of preventive and mitigative measures to protect the high consequence area (see paragraph (i) of this section);

(7) Methods to measure the program's effectiveness (see paragraph (k) of this section);

(8) A process for review of integrity assessment results and information analysis by a person qualified to evaluate the results and information (see paragraph (h)(2) of this section).

The IDPC does not have a written Integrity Management Program (IMP) in accordance with Part §195.452

Proposed Compliance Order

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to the Idaho Pipeline Corporation. Please refer to the Proposed Compliance Order that is enclosed and made a part of this Notice.
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. 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). 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 5-2008-5036** and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Chris Hoidal
Director, Western Region
Pipeline and Hazardous Materials Safety Administration

Enclosures. *Proposed Compliance Order*
*Response Options for Pipeline Operators in Compliance Proceedings*

cc: PHP-60 Compliance Registry
    PHP-500 H Nguyen (#121166)
PROPOSED COMPLIANCE ORDER

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to the Idaho Pipeline Corporation (IDPC) a Compliance Order incorporating the following remedial requirements to ensure the compliance of the Idaho Pipeline Corporation with the pipeline safety regulations:

1. In regard to Item Number 1 of the Notice pertaining to your pipeline systems, the IDPC must
   a) Develop a written Integrity Management Program (IMP)
   b) Begin implementation of their Integrity Management Program (IMP)

2. Within 60 days of issuance of the Final Order, the IDPC must complete the above items, and submit the required documentation and procedures to the Director, Western Region, Pipeline and Hazardous Materials Safety Administration, 12300 West Dakota Avenue, Suite 110, Lakewood, Colorado 80228.

3. The IDPC shall maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Chris Hoidal, Director, Western Region, Pipeline and Hazardous Materials Safety Administration. Costs shall be reported in two categories: 1) total cost associated with preparation/revision of plans, procedures, studies and analyses, and 2) total cost associated with replacements, additions and other changes to pipeline infrastructure.