



U.S. Department of Transportation  
Pipeline and Hazardous Materials  
Safety Administration

DEC 23 2009

1200 New Jersey Ave, S.E.  
Washington, D.C. 20590

Mr. John Moore  
Vice-President of Pipelines and Terminals  
Tesoro Refining and Marketing Co.  
300 Concord Plaza  
San Antonio, TX 78216-6999

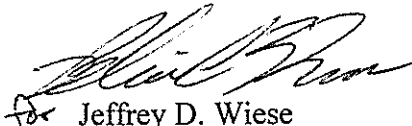
**Re: CPF No. 5-2009-5022**

Dear Mr. Moore:

Enclosed is the Final Order issued in the above-referenced case. It makes findings of violation and assesses a civil penalty of \$27,600. I acknowledge receipt of your wire transfer of \$27,600 on August 10, 2009, and accept it as payment in full of the civil penalty. This case is now closed. Your receipt of the Final Order constitutes service of that document under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

  
for Jeffrey D. Wiese  
Associate Administrator  
for Pipeline Safety

Enclosure

cc: Mr. Chris Hoidal, Director, Western Region, PHMSA

**CERTIFIED MAIL – RETURN RECEIPT REQUESTED [7005 0390 0005 6162 5319]**

**U.S. DEPARTMENT OF TRANSPORTATION  
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION  
OFFICE OF PIPELINE SAFETY  
WASHINGTON, D.C. 20590**

<b>In the Matter of</b>	)	
	)	
<b>Tesoro Refining and Marketing Co.,</b>	)	<b>CPF No. 5-2009-5022</b>
	)	
<b>Respondent.</b>	)	
	)	

**FINAL ORDER**

On January 26 through 30, 2009, pursuant to 49 U.S.C. § 60117, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), conducted an on-site inspection of Tesoro Refining and Marketing Co.'s (Tesoro or Respondent) Salt Lake City Refinery Pipelines in Salt Lake City, Utah. Respondent operates nineteen (19) miles of pipeline through which it transports crude oil and refined petroleum products.

As a result of the inspection, the Director, Western Region, OPS (Director), issued to Respondent, by letter dated May 27, 2009, 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 violated 49 C.F.R. §§ 195.420 and 195.428, and proposed assessing a civil penalty of \$27,600 for the alleged violations.

Respondent failed to respond within 30 days of receipt of the Notice. Respondent's failure to respond constitutes a waiver of Respondent's right to contest the allegations in the Notice and authorizes the entry of this Final Order.<sup>1</sup> Respondent did not request a hearing and therefore has waived its right to one.

Respondent paid the full proposed civil penalty of \$27,600 on August 10, 2009.

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<sup>1</sup> On October 14, 2009, the Director, Western Region, OPS sent a letter to Tesoro erroneously indicating that the case was closed. Under 49 C.F.R. § 190.213, however, this case may only be closed by issuance of a final order.

### FINDINGS OF VIOLATION

Respondent did not contest the allegations in the Notice that it violated 49 C.F.R. Part 195, as follows:

**Item 1:** The Notice alleged that Respondent violated 49 C.F.R. § 195.420 which states:

**§ 195.420 Valve maintenance.**

- (a) . . . .
- (b) Each operator shall, at intervals not exceeding 7 1/2 months, but at least twice each calendar year, inspect each mainline valve to determine that it is functioning properly.
- (c) . . . .

The Notice alleged that Respondent violated 49 C.F.R. § 195.420 by failing to inspect certain mainline valves at intervals not exceeding 7 1/2 months, but at least twice each calendar year. Specifically, Respondent's maintenance records indicated that the inspection interval for eleven (11) mainline valves exceeded 7 ½ months during 2006 and 2007. The following valves were overdue for inspection as follows:

A. 25 Days Late

- 1. Valve 912412-3
- 2. Valve 912412-4
- 3. Valve 912412-5
- 4. Valve 912412-6
- 5. Valve 912315-1
- 6. Valve 724614-1
- 7. Valve 133613-1

B. 60 Days Late

- 1. Valve 811415-6
- 2. Valve 811415-8
- 3. Valve 521414-8
- 4. Valve 521414-7

Respondent has not disputed this allegation. Accordingly, after considering all the evidence, I find Respondent violated 49 C.F.R. § 195.420 by failing to inspect the above-listed mainline valves at intervals not exceeding 7 1/2 months, but at least twice each calendar year.

**Item 2:** The Notice alleged that Respondent violated 49 C.F.R. § 195.428 which states:

**§ 195.428 Overpressure safety devices and overfill protection systems.**

(a) Except as provided in paragraph (b) of this section, each operator shall, at intervals not exceeding 15 months, but at least once each calendar year, or in the case of pipelines used to carry highly volatile liquids, at intervals not to exceed 7 1/2 months, but at least twice each calendar year, inspect and test each pressure limiting device, relief valve, pressure regulator, or other item of pressure control equipment to determine that it is functioning properly, is in good mechanical condition, and is adequate from the standpoint of capacity and reliability of operation for the service in which it is used.

(b) . . . .

(c) . . . .

(d) . . . .

The Notice alleged that Respondent violated 49 C.F.R. § 195.428 by failing to inspect certain overpressure safety devices (relief valves) at intervals not exceeding 15 months, but at least once each calendar year. Specifically, Respondent's records indicated that the inspection interval for two (2) overpressure safety devices exceeded 15 months during 2006 and 2007. The following devices were overdue for inspection by 53 days:

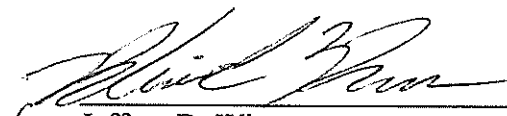
A. Safety Device RV 16-125

B. Safety Device RV 16-126

Respondent has not disputed this allegation. Accordingly, after considering all the evidence, I find Respondent violated 49 C.F.R. § 195.428 by failing to inspect the above-listed overpressure safety devices (relief valves) at intervals not exceeding 15 months, but at least once each calendar year.

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 \$27,600, already paid by Respondent.

The terms and conditions of this Final Order shall be effective upon receipt.

  
 for Jeffrey D. Wiese  
 Associate Administrator  
 for Pipeline Safety

12-23-2009  
 Date Issued