

MAR 1 2010

Mr. Daniel Knepper
President and Chief Operating Officer
Front Range Pipeline, LLC
803 Highway 212 South
P.O. Box 909
Laurel, MT 59044

Re: CPF No. 5-2009-5039

Dear Mr. Knepper:

Enclosed please find the Final Order issued in the above-referenced case. It makes findings of violation and specifies actions that need to be taken by Front Range Pipeline, LLC, to comply with the pipeline safety regulations. When the terms of the compliance order have been completed, as determined by the Director, Western Region, this enforcement action will be closed. Service of the Final Order by certified mail is deemed effective upon the date of mailing, or as otherwise provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Enclosure

cc: Mr. Chris Hoidal, Director, Western Region, OPS
Mr. John Traeger, Manager, Pipelines and Terminals, Front Range Pipeline, LLC

CERTIFIED MAIL – RETURN RECEIPT REQUESTED [7009 1410 0000 2472 5040]

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

_____)	
In the Matter of)	
)	
Front Range Pipeline, LLC,)	CPF No. 5-2009-5039
)	
Respondent.)	
_____)	

FINAL ORDER

On June 15 to 18, 2009, pursuant to 49 U.S.C. § 60117, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), conducted an on-site pipeline safety inspection of the facilities and records of Front Range Pipeline, LLC (Front Range or Respondent), in Montana. Front Range is the operator of a hazardous liquid pipeline system that originates at the Canadian border and runs through the cities of Cut Bank and Laurel, Montana.

As a result of the inspection, the Director, Western Region, OPS (Director), issued to Respondent, by letter dated November 10, 2009, a Notice of Probable Violation and Proposed Compliance Order (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Front Range had committed various violations of 49 C.F.R. Part 195 and proposed ordering Respondent to take certain measures to correct the alleged violations.

Front Range responded to the Notice by letter dated January 7, 2010 (Response). Respondent did not contest the allegations of violation. Front Range did not request a hearing and therefore has waived its right to one.

FINDINGS OF VIOLATION

In its Response, Front Range 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. § 195.116, which states in relevant part:

§ 195.116 Valves.

Each valve installed in a pipeline system must comply with the following:

(a)

(e) Each valve other than a check valve must be equipped with a means for clearly indicating the position of the valve (open, closed, etc.).

In particular, the Notice alleged that Front Range violated § 195.116(e) because the positions of two valves at the Raynesford Pump Station, Valve #FR59 and Valve #FR63, were not clearly indicated at the time of the OPS inspection. Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 195.116(e) by failing to clearly indicate the positions of Valve #FR59 and Valve #FR63 at the time of the OPS inspection.

Item 2: The Notice alleged that Respondent violated 49 C.F.R. § 195.126, which states:

§ 195.126 Flange connection.

Each component of a flange connection must be compatible with each other component and the connection as a unit must be suitable for the service in which it is to be used.

The Notice alleged that Front Range violated § 195.126 because many of the studs on the flange connections of Valve #FR45A and Valve #FR45D at the Conrad Pump Station were not of sufficient length to allow the nuts to be fully threaded at the time of the OPS inspection. Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 195.126 by failing to ensure that each component of the flange connections at the Conrad Pump Station were compatible with each other component and that these connections as a unit were suitable for their intended use in service.

Item 3: The Notice alleged that Respondent violated 49 C.F.R. § 195.573, which states, in relevant part:

§ 195.573 What must I do to monitor external corrosion control?

(a) *Protected pipelines.* You must do the following to determine whether cathodic protection required by this subpart complies with § 195.571:

(1)

(2) Identify not more than 2 years after cathodic protection is installed, the circumstances in which a close-interval survey or comparable technology is practicable and necessary to accomplish the objectives of paragraph 10.1.1.3 of NACE Standard RP 0169 (incorporated by reference, *see* § 195.3).

The Notice alleged that Front Range violated § 195.573(a)(2) by failing to perform a close-interval (or comparable technological) survey or an analysis showing why such a survey was not necessary at the time of the OPS inspection. Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent

violated 49 C.F.R. § 195.573(a)(2) by failing to perform a close-interval survey (or a comparable technological survey) or an analysis showing why such a survey was unnecessary.

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, 2 and 3 in the Notice for violations of 49 C.F.R. §§ 195.116(e), 195.126, and 195.573(a)(2), respectively. 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:

1. With respect to Item 1 of the Notice pertaining to Valve #FR59 and Valve #FR63 at the Raynesford Pump Station, Front Range must install a means for clearly indicating the position of each of these valves.
2. With respect to Item 2 of the Notice pertaining to the flanged connections of Valve #FR45A (MOV) and Valve #FR45D at the Conrad Pump Station, Front Range must install studs of a sufficient length in each of the flanged connections to ensure that the full strength of the ANSI 600 flanges is obtained.
3. With respect to Item 3 of the Notice pertaining to the cathodic protection program, Front Range must conduct a close-interval survey along the entire length of the pipeline, or perform and document an analysis determining why a close interval survey is not necessary along the entire length of the pipeline or certain segments of the pipeline.
4. Front Range shall maintain documentation of the safety improvement costs associated with fulfilling this compliance Order and submit the total to Christopher 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.
5. Front Range must complete each of these actions within 180 days of the date of this Order.

The Director may grant an extension of time to comply with any of the required items upon a written request timely submitted by the Respondent and demonstrating good cause for an extension.

Failure to comply with this Order may result in the administrative assessment of civil penalties not to exceed \$100,000 for each violation for each day the violation continues or in referral to the Attorney General for appropriate relief in a district court of the United States.

Under 49 C.F.R. § 190.215, Respondent has a right to submit a Petition for Reconsideration of this Final Order. The petition must be sent to: Associate Administrator, Office of Pipeline Safety, PHMSA, 1200 New Jersey Avenue, SE, East Building, 2nd Floor, Washington, DC 20590. A copy of the petition should also be sent to: Assistant Chief Counsel for Pipeline Safety, PHMSA, 1200 New Jersey Avenue, SE, East Building, 2nd Floor, Washington, DC 20590. The petition must be received no later than 20 days after service of this Final Order upon the Respondent and must contain a brief statement of the issue(s) and meet all other requirements of 49 C.F.R. § 190.215. Unless the Associate Administrator, upon request, grants a stay, the terms and conditions of this Final Order are effective upon receipt of service.

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Date Issued