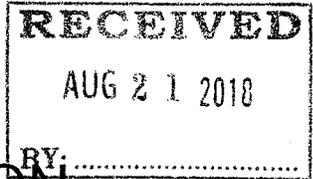




IDAHO PIPELINE CORPORATION



P.O. Box 15653, Boise, Idaho 83715 / Ph (208) 344-0078 / Fx (208) 343-4249

August 17, 2018

Kim West
Director, Western Region PHMSA
12300 W. Dakota Ave., Suite 110
Lakewood CO 80226

Ref: Idaho Pipeline NOPV, PCP, and PCO (CPF 5-2018-6015)

Dear Director West,

On July 26, 2018, Idaho Pipeline Corporation received a Notice of Probable Violation, Proposed Civil Penalty, and Proposed Compliance Order, dated July 19, 2018, reference CPF No. 5-2018-6015. The NOPV alleged fit potential violations of the Pipeline and Hazardous Materials Safety Administration regulation 49 CFR Part 195. The NOPV included a Proposed Civil Penalty of \$49,000 for item number 4.

Idaho Pipeline contest the alleged violation and the associated proposed civil penalty. In the interest of efficiency for all parties, we are not requesting a hearing, but through this letter we are submitting a written response to the NOPV and Proposed Civil Penalty, pursuant to 49 CFR Part 190. For the reasons set forth below, we respectfully request the withdraw of the alleged violation and the Proposed Civil Penalty, or, at a minimum, a significantly reduced civil penalty.

NOPV Item 4: Maps and Records (49 CFR 195.404(a)(3))

Item 4 of the NOPV states that: "IDPC failed to maintain current records of its pipeline system to include the maximum operating pressure (MOP) in accordance with 195.404(a)(3)." The NOPV indicates that IDPC could not produce any records or calculations which were used to establish the MOP for both the eight (8) and (4) inch pipelines. The notice goes on to say that "During the inspection, interviews with IDPC's Terminal Manager revealed that the design engineer for the 8- and 4-inch pipelines passed away many years earlier and IDPC failed to obtain any records and calculations for establishing MOP on these lines."

Item 4: NOPV and Proposed Civil Penalty Should be Withdrawn

On November 11, 2009, IDPC hired Industrial Pipeline and Welding, Inc., to perform 8-hour pressure test of both the 8- and 4-inch pipelines. A jumper hose was utilized to test both lines under the same test. The minimum pressure observed during that test was 365 psig. 80% of the lowest observed pressure qualifies both 8- and 4-inch lines for a maximum operating pressure of 292 psig in accordance with 195.304. IDPC has opted to establish MOP at 275 psig.

On April 30, 2014, IDPC again hired Industrial Pipeline and Welding, Inc., to perform 8-hour pressure test of both the 8- and 4-inch pipelines. A jumper hose was again utilized to test both lines concurrently. The minimum pressure observed during that test was 362 psig. 80% of the lowest observed pressure qualifies both 8- and 4-inch lines for a maximum operating pressure of 289 psig in accordance with 195.304. IDPC has opted to retain established MOP at 275 psig.

Test records listed above were available at time of inspection. Although we are unable to confirm with absolute certainty, we believe the PHMSA representative copied and departed with copies of the listed test records

Summary and Requested Relief

Item 4 of the NOPV should be withdrawn because alleged violation for failure to maintain current records to include the establishing maximum operating pressure is inaccurate.

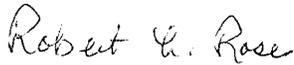
Considering the mistakes of fact alleged in NOPV item 4, we respectfully request contend the Proposed Civil Penalty should also be withdrawn.

Additional information that should be considered associated with Proposed Civil Penalty, on or about May 13, 2017, Tesoro Logistics Northwest Pipeline Company, LLC terminated Connection and Operations Agreement with IDPC. Essentially IDPC resupply capabilities and any associated revenues has been suspended until such time an agreement can be renegotiated and executed.

We wish to reserve the right to provide further information if needed including but not limited to the financial records verifying that Idaho Pipeline Corporation has had not pipeline income since May 13, 2017.

If you have any question or would like to discuss this matter further, please do not hesitate to contact us.

Sincerely,



Robert L. Rose
President

cc: R. Wood
B. Adams