

Mr. Rod Dreveny  
Vice President  
Dome Pipeline Corporation  
P.O. Box 200  
Calgary, Alberta, Canada  
T2P 2H8

Re: CPF No. 32513

Dear Mr. Dreveny:

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 of \$5,500. The penalty payment terms are set forth in the Final Order. Your receipt of the Final Order constitutes service of that document under 49 C.F.R. § 190.5.

Sincerely,

Gwendolyn M. Hill  
Pipeline Compliance Registry  
Office of Pipeline Safety

Enclosure

cc: Mr. Wallace Hall  
Dome Pipeline Corporation  
Plaza Centre One  
125 S. Dubuque Street  
Iowa City, Iowa 52244-1430

REGISTERED MAIL - RETURN RECEIPT REQUESTED



DEPARTMENT OF TRANSPORTATION  
RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION  
WASHINGTON, DC

\_\_\_\_\_) )  
In the Matter of ) )  
 ) )  
Dome Pipeline Corporation, ) CPF No. 32513  
 ) )  
Respondent. ) )  
\_\_\_\_\_) )

FINAL ORDER

On June 1-3, 1992, pursuant to 49 U.S.C. § 60117, a representative of the Office of Pipeline Safety (OPS), conducted an on-site pipeline safety inspection of Respondent's facilities and records in Goshen, Indiana. As a result of the inspection, the Director, Central Region, OPS, issued to Respondent, by letter dated December 14, 1992, a Notice of Probable Violation, Proposed Civil Penalty, and Notice of Amendment (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Respondent had violated 49 C.F.R. §§ 195.402(f) and 195.420(b) and proposed a civil penalty of \$10,000 for the alleged violations. The Notice also proposed, in accordance with 49 C.F.R. § 190.237, that Respondent amend its procedures for Operations, Maintenance and Emergencies.

Respondent responded to the Notice by letter dated January 12, 1993. Respondent submitted information to explain the allegations and in mitigation of the proposed civil penalty. Respondent has not requested a hearing and therefore, has waived its right to one.

FINDINGS OF VIOLATION

Item 1b in the Notice alleged that Respondent's operations and maintenance (O&M) manual did not include instructions enabling personnel who perform O&M activities to recognize conditions that potentially may be safety-related conditions subject to the pipeline safety reporting requirements, in violation of 49 C.F.R. §195.402(f).

Respondent agreed that, although at the time of the inspection it did not have a specific procedure for safety-related conditions, its procedure for determining corrosion satisfied the regulatory requirement.

Corrosion is only one of the pipeline conditions that triggers the safety-related condition reporting requirement. Moreover, in addition to recognizing the pertinent safety-related conditions, an operator's employees must also know where to file the report and what information to relate. Accordingly, I find that Respondent violated 49 C.F.R. 195.402(f). Respondent, however, has since prepared a procedure that satisfies this requirement.

Item 2 alleged that Respondent violated 49 C.F.R. § 195.420(b) because during its 1990 inspection cycle had inspected its ten mainline valves within an 8 1/2 month interval, rather than within the required 7 1/2 month interval.

Respondent agreed that it had exceed the 7 1/2 month interval but noted that it exercises the valves approximately each month as a result of its operating procedures associated with the transportation of ethylene batches through the pipeline system. Although Respondent's ethylene operating procedures may verify that the mainline valves are functioning properly, these procedures do not state that this monthly operation is a mainline valve inspection that satisfies § 195.420. Accordingly, I find that Respondent violated 49 C.F.R. § 195.420(b).

These findings of violation will be considered prior offenses in any subsequent enforcement action taken against Respondent.

#### ASSESSMENT OF PENALTY

Under 49 U.S.C. § 60122, Respondent is subject to a civil penalty not to exceed \$25,000 per violation for each day of the violation up to a maximum of \$500,000 for any related series of violations. The Notice proposed a penalty of \$10,000.

49 U.S.C. § 60122 and 49 C.F.R. § 190.225 require that, in determining the amount of the civil penalty, I consider the following criteria: nature, circumstances, and gravity of the violation, degree of Respondent's culpability, history of Respondent's prior offenses, Respondent's ability to pay the penalty, good faith by Respondent in attempting to achieve compliance, the effect on Respondent's ability to continue in business, and such other matters as justice may require.

One of the violations concerned Respondent's failure to have a required O&M procedure. Procedures are essential to an operator's employees being able to perform their duties. An operator needs to have written procedures instructing personnel to recognize those safety-related conditions that can affect a pipeline's service so that they can be appropriately addressed and reported. However, I recognize that Respondent took prompt action to develop the necessary procedures.

The other violation concerned Respondent's exceeding the inspection interval for mainline valves. Timely mainline valve inspections ensure that each valve is functioning properly. When properly maintained, mainline valves function during an emergency to limit impact on public safety, property and the environment. However, Respondent did show that, as part of its operating functions, it was verifying that these valves functioned properly, although it had not been documenting these operations as part of its mainline valve inspections.

Accordingly, having reviewed the record and considered the assessment criteria, I assess Respondent a civil penalty of \$5,500.

**Payment** of the civil penalty **must be made within 20 days of service**. Payment can be made by sending a certified check or money order (containing the CPF Number for this case) payable to " U.S. Department of Transportation" to the Federal Aviation Administration, Mike Monroney Aeronautical Center, Financial Operations Division (AMZ-320), P.O. Box 25770, Oklahoma City, OK 73125.

Federal regulations (49 C.F.R. § 89.21(b)(3)) also permit this **payment to be made by wire transfer**, through the Federal Reserve Communications System (Fedwire), to the account of the U.S. Treasury. **Detailed instructions are contained in the enclosure**. After completing the wire transfer, send a copy of the **electronic funds transfer receipt** to the **Office of the Chief Counsel** (DCC-1), Research and Special Programs Administration, Room 8407, U.S. Department of Transportation, 400 Seventh Street, SW, Washington, D.C. 20590-0001.

**Questions** concerning wire transfers should be directed to: **Valeria Dungee**, Federal Aviation Administration, Mike Monroney Aeronautical Center, Financial Operations Division (AMZ-320), P.O. Box 25770, Oklahoma City, OK 73125; **(405) 954-4719**.

Failure to pay the \$5,500 civil penalty will result in accrual of interest at the current annual rate in accordance with 31 U.S.C. § 3717, 4 C.F.R. § 102.13 and 49 C.F.R. § 89.23. Pursuant to those same authorities, a late penalty charge of six percent (6%) per annum will be charged if payment is not made within 110 days of service. Furthermore, failure to pay the civil penalty may result in referral of the matter to the Attorney General for appropriate action in an United States District Court.

#### AMENDMENT OF PROCEDURES

The Notice alleged inadequacies in Respondent's Operations, Maintenance and Emergencies Manual and proposed to require amendment of Respondent's procedures to comply with the requirements of 49 C.F.R. § 195.402(e)(9). Respondent submitted a copy of its procedures that provide for post-accident review of employee activities. The Director, Central Region, OPS has accepted these procedures as adequate to assure safe operation of Respondent's pipeline system. Accordingly, no need exists to issue an order directing amendment.

Under 49 C.F.R. § 190.215, Respondent has a right to petition for reconsideration of this Final Order. The petition must be received within 20 days of Respondent's receipt of this Final Order and must contain a brief statement of the issue(s). The filing of the petition automatically stays the payment of any civil penalty assessed. All other terms of the order, including any required corrective action, shall remain in full effect unless the Associate Administrator, upon request, grants a stay. The terms and conditions of this Final Order are effective upon receipt.

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Richard B. Felder  
Associate Administrator  
for Pipeline Safety

Date: 03/25/1997