

**NOTICE OF PROBABLE VIOLATION
PROPOSED CIVIL PENALTY
and
PROPOSED COMPLIANCE ORDER**

VIA ELECTRONIC MAIL TO: tampapc@outlook.com

May 22, 2024

Mr. Robert Rose
President
Idaho Pipeline Corporation
PO Box 35236
Sarasota, FL 34242

CPF 5-2024-003-NOPV

Dear Mr. Rose:

From October 11 through October 14, 2022, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code (U.S.C.), inspected Idaho Pipeline Corporation's (IDPC) hazardous liquid (HL) pipeline system in Boise, Idaho.

As a result of the inspection, it is alleged that you have committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The items inspected and the probable violations are:

1. § 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.

IDPC did not install flange connections correctly. Specifically, several flange locations around IDPC's Gowen facility exhibited either missing flange studs/bolts or inadequate thread engagement with flange nuts. Additionally, Tank 1's June 24, 2020, external tank inspection report noted that flange bolts needed to be replaced, however, the bolts were not replaced at the time of the inspection. Accordingly, IDPC failed to ensure that each component of a flange connection must be suitable for the service in which it is to be used in accordance with § 195.126.¹

2. § 195.403 Emergency response training.

(a) . . .

(b) At the intervals not exceeding 15 months, but at least once each calendar year, each operator shall:

(1) Review with personnel their performance in meeting the objectives of the emergency response training program set forth in paragraph (a) of this section; and

IDPC failed to provide a procedure requiring the operator to review with personnel, their performance in meeting the objectives of the emergency response training program at intervals not exceeding 15 months, but at least once each calendar year, as required by § 195.403(b)(1).²

Specifically, IDPC failed to provide any records demonstrating that it reviewed its personnel's performance in meeting the objectives of their emergency response training program. IDPC did not demonstrate they reviewed emergency response personnel performance for calendar years 2019, 2020, and 2021.³

Accordingly, IDPC failed to have a procedure to review personnel performance in meeting the objectives of the emergency response training program at intervals not exceeding 15 months, but at least once each calendar year, as required by § 195.403(b)(1).

¹ Bolt order confirmation was received from IDPC on December 16, 2022. IDPC indicated they would replace bolts as weather permits before the end of calendar year 2023, however PHMSA is unaware if this has been completed.

² A Notice of Amendment (NOA), with CPF# 5-2018-6016M, was filed against IDPC on October 10, 2018. Item 16 states, "IDPC did not establish adequate written emergency response training procedures on how to make appropriate changes to the emergency response training program as necessary to ensure that it is effective in accordance with §195.403(b)(2). At the time of the inspection, it was noted that IDPC's O&M, Section 3.2.2, page 12, only paraphrased the code requirements, and did not set forth a process or procedure on how IDPC would ensure that its emergency response training program is effective."

³ See 49 C.F.R. §195.404(b) (requiring operators to maintain records regarding any emergency procedure for at least 3 years).

3. § 195.559 What coating material may I use for external corrosion control?

(a) . . .

(b) Have sufficient adhesion to the metal surface to prevent under film migration of moisture;

IDPC failed to have sufficient adhesion to the metal surface to prevent under film migration of moisture for their corrosion control coating material as is required by § 195.559(b).

IDPC was observed to have inadequate coating due to insufficient adhesion for the prevention of external corrosion. Specifically, the drain manifold and ten air-to-soil interface locations around IDPC's Gowen facility were observed to have substantially damaged protection against external corrosion.⁴

Accordingly, IDPC failed to have sufficient adhesion to the metal surface to prevent under film migration of moisture for its corrosion control coating material as is required by § 195.559(b).

4. § 195.563 Which pipelines must have cathodic protection?

(a) . . .

(d) Bare pipelines, breakout tank areas, and buried pumping station piping must have cathodic protection in places where regulations in effect before January 28, 2002 required cathodic protection as a result of electrical inspections. See previous editions of this part in 49 CFR, parts 186 to 199.

IDPC failed to demonstrate the implementation of cathodic protection on breakout tanks (BOTs). Specifically, IDPC is not cathodically protecting jurisdictional BOTs 1, 2, and 9. Additionally, IDPC failed to conduct electrical inspections to monitor, identify, and correct possible stray current corrosion issues pertaining to unprotected tank bottoms specified in ANSI/API RP 651.⁵

Therefore, IDPC failed to have cathodic protection on breakout tank areas as a result of electrical inspections as is required by § 195.563(d).

⁴ IDPC provided a copy of the order confirmation for the tape received on October 27, 2022. IDPC agreed to re-wrap all damaged air-to-soil interfaces before October 2023 as weather permits.

⁵ See ANSI/API RP 651 Section 5.2.1.3 Inspection/Corrosion History (a.-g.)

5. **§ 195.571 What criteria must I use to determine the adequacy of cathodic protection?**

Cathodic protection required by this subpart must comply with one or more of the applicable criteria and other considerations for cathodic protection contained paragraphs 6.2.2, 6.2.3, 6.2.4, 6.2.5 and 6.3 in NACE SP 0169 (incorporated by reference, *see* § 195.3).

IDPC cathodic protection system did not comply with one or more of the applicable criteria and other considerations for cathodic protection contained in paragraphs 6.2.2 in NACE SP 0169.

IDPC failed to provide records or demonstrate its cathodic protection system met all § 195.571 requirements. Specifically, IDPC's August 31, 2022 cathodic protection (CP) survey revealed Test Point 8 (yard galvanic district) had a measurement value of -579 mV and, during the field inspection performed on October 14, 2023, IDPC Test Point 8 had an observed CP measurement of -525 mV which does not meet the -850 mV or the 100mV shift criteria specified in NACE SP 0169 paragraph 6.2.2.

Accordingly, the IDPC cathodic protection system did not comply with one or more of the applicable criteria and other considerations for cathodic protection contained paragraphs 6.2.2 in NACE SP 0169 as is required by § 195.571.

6. **§ 195.573 What must I do to monitor external corrosion control?**

(a)

(c) *Rectifiers and other devices.* You must electrically check for proper performance each device in the first column at the frequency stated in the second column.

Device	Check frequency
Rectifier	At least six times each calendar year, but with intervals not exceeding 2 ½ months.
Reverse current switch	
Diode	
Interference bond whose failure would jeopardize structural protection	
Other interference bond	At least once each calendar year, but with intervals not exceeding 15 months.

IDPC failed to electrically check for proper rectifier performance at least six times each calendar year, but with intervals not exceeding 2 ½ months.

Specifically, IDPC failed to provide any records for calendar year 2022, demonstrating that personnel checked the rectifier since it was installed on February 26, 2022.⁶ This rectifier protects the entire pipeline length of 2.32 miles.

Accordingly, IDPC failed to electrically check proper rectifier performance at least six times each calendar year, but with intervals not exceeding 2 ½ months as is required by § 195.573(c).

7. § 195.575 Which facilities must I electrically isolate and what inspections, tests, and safeguards are required?

(a) . . .

(b) You must install one or more insulating devices where electrical isolation of a portion of a pipeline is necessary to facilitate the application of corrosion control.

IDPC failed to install one or more insulating devices where electrical/galvanic isolation of a portion of a pipeline is necessary to facilitate the application of corrosion control.

During the Field Inspection, PHMSA identified multiple pipe supports that had support cushions missing, deteriorated, or improperly installed. This lack of electrical isolation and protection from wear can cause galvanic crevice corrosion by metal-to-metal contact, in which even slight metallurgical differences can promote external corrosion and metal loss. Specifically, three locations around IDPC's Gowen facility were observed to have some evidence of crevice corrosion on multiple supports throughout the facility where galvanic isolation pads between the pipe supports and pipe were absent.

Accordingly, IDPC failed to install one or more insulating devices where electrical/galvanic isolation of a portion of a pipeline is necessary to facilitate the application of corrosion control as is required by § 195.575(b).

⁶ See 49 C.F.R. § 195.589(c)(requiring operators to maintain rectifier check records for at least 5 years).

8. § 195.577 What must I do to alleviate interference currents?

(a) For pipelines exposed to stray currents, you must have a program to identify, test for, and minimize the detrimental effects of such currents.

IDPC failed to demonstrate that stray interference currents have been alleviated on breakout tanks (BOTs), specifically for BOTs 1, 2, and 9.

IDPC installed a cathodic protection (CP) system on February 26, 2022 to protect buried line pipe. Currently, BOTs 1, 2, and 9 do not have cathodic protection. No actions were implemented to monitor, identify, and possibly correct any stray current corrosion issues pertaining to the unprotected tank bottoms as specified in ANSI/API RP 651.⁷

Accordingly, IDPC failed to implement a program to identify, test for, and minimize the detrimental effects of stray currents as required by § 195.577(a).

Proposed Civil Penalty

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$266,015 per violation per day the violation persists, up to a maximum of \$2,660,135 for a related series of violations. For violation occurring on or after January 6, 2023 and before December 28, 2023, the maximum penalty may not exceed \$257,664 per violation per day the violation persists, up to a maximum of \$2,576,627 for a related series of violations. For violation occurring on or after March 21, 2022 and before January 6, 2023, the maximum penalty may not exceed \$239,142 per violation per day the violation persists, up to a maximum of \$2,391,412 for a related series of violations. For violation occurring on or after May 3, 2021 and before March 21, 2022, the maximum penalty may not exceed \$225,134 per violation per day the violation persists, up to a maximum of \$2,251,334 for a related series of violations. For violation occurring on or after January 11, 2021 and before May 3, 2021, the maximum penalty may not exceed \$222,504 per violation per day the violation persists, up to a maximum of \$2,225,034 for a related series of violations. For violation occurring on or after July 31, 2019 and before January 11, 2021, the maximum penalty may not exceed \$218,647 per violation per day the violation persists, up to a maximum of \$2,186,465 for a related series of violations. For violation occurring on or after November 27, 2018 and before July 31, 2019, the maximum penalty may not exceed \$213,268 per violation per day, with a maximum penalty not to exceed \$2,132,679.

We have reviewed the circumstances and supporting documentation involved for the above probable violations and recommend that you be preliminarily assessed a civil penalty of \$ 90,800 as follows:

⁷ See ANSI/API RP 651 Section 5.2.1.3 Inspection/Corrosion History (requiring stray current problems to be investigated and determined in the evaluation of inspection/corrosion history).

Item number
2

PENALTY
\$ 90,800

Proposed Compliance Order

With respect to items 4, 5, and 8 pursuant to 49 U.S.C. § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Idaho Pipeline Corporation. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

Warning Items

With respect to items 1, 3, 6, and 7, we have reviewed the circumstances and supporting documents involved in this case and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to promptly correct these items. Failure to do so may result in additional enforcement action.

Response to this Notice

Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Enforcement Proceedings*. Please refer to this document and note the response options. All material you submit in response to this enforcement action may be 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).

Following your receipt of this Notice, you have 30 days to respond as described in the enclosed *Response Options*. 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. If you are responding to this Notice, we propose that you submit your correspondence to my office within 30 days from receipt of this Notice. The Region Director may extend the period for responding upon a written request timely submitted demonstrating good cause for an extension.

In your correspondence on this matter, please refer to **CPF 5-2024-003-NOPV**, and for each

document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Dustin Hubbard
Director, Western Region, Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration

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

cc: PHP-60 Compliance Registry
PHP-500 M. Mulligan, M. Flaherty (#22-232568)
Bill Adams – Terminal Manager, Idaho Pipeline Corp., idpc1@outlook.com

PROPOSED COMPLIANCE ORDER

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

- A. In regard to 4 of the Notice pertaining to cathodic protection on breakout tank areas as a result of electrical inspections as is required by § 195.563(d), Idaho Pipeline Corporation must conduct electrical inspections, determine if CP is needed for BOTs, and implement BOT cathodic protection system within **90** days of receipt of the Final Order.
- B. In regard to 5 of the Notice pertaining to inadequate cathodic protection as is required by § 195.571, Idaho Pipeline Corporation must implement adequate cathodic protection within **90** days of receipt of the Final Order.
- C. In regard to 8 of the Notice pertaining to alleviating interference currents as required by § 195.577(a), Idaho Pipeline Corporation must monitor, identify, and possibly correct any stray current corrosion issues pertaining to the unprotected tank bottoms as specified in ANSI/API RP 651 within **90** days of receipt of the Final Order.
- D. It is requested (not mandated) that Idaho Pipeline Corporation maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Dustin Hubbard, Director, Western Region, Pipeline and Hazardous Materials Safety Administration. It is requested that these costs 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.