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U.S. DOT Proposes \$423,600 Civil Penalty Against Chevron for Pipeline Failure Near Salt Lake City

WASHINGTON – The U.S. Department of Transportation today announced that its Pipeline and Hazardous Materials Safety Administration (PHMSA) is proposing a \$423,600 civil penalty against Chevron Pipe Line Company after an investigation into the June 2010 pipeline failure near the University of Utah campus in Salt Lake City, Utah. The pipeline failure resulted in the release of 800 barrels - or 33,600 gallons - of crude oil into the ground and nearby Red Butte Creek.

“The Department’s top priority is safety, and we remain committed to ensuring America’s pipelines are capable of safely delivering vital energy products to U.S. households and businesses,” said U.S. Transportation Secretary Ray LaHood.

PHMSA’s accident investigation found that Chevron may have failed to institute and follow required procedures to patrol its pipeline rights-of-way, control corrosion on its system, and protect its pipeline from stray electrical currents. In addition, PHMSA’s investigation indicates that Chevron may not have an adequate means to detect leaks along its pipeline system. The pipeline involved in the failure leaked crude oil for more than ten hours before Chevron received notification of the failure from the local fire department.

“PHMSA’s pipeline safety inspectors and its state partners are committed to ensuring the safety of America’s pipeline transportation system, and will continue to carefully monitor the activities of Chevron Pipe Line Company,” said PHMSA Administrator Cynthia L. Quarterman. “PHMSA will pursue enforcement action against operators that do not adhere to pipeline safety regulations.”

In addition to today's Notice of Proposed Violation (NOPV) to Chevron, PHMSA issued a proposed Compliance Order that would require the company to improve its rights-of-way inspections, take measures to protect its system against damage from lightning or stray electrical currents, and improve its leak detection capabilities. Chevron can voluntarily take these actions before the order is finalized.

Pipeline operators are allowed up to 30 days to respond to allegations included in an NOPV. To learn more about PHMSA's enforcement tools and processes, visit the agency's enforcement page on its Stakeholders Communications website at <http://primis.phmsa.dot.gov/comm>.

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