

Chevron Agrees To Pay \$2M In CA Refinery Fire

The Associated Press

RICHMOND, Calif. (AP) — Chevron Corp. on Monday agreed to pay \$2 million in fines and restitution and pleaded no contest to six charges in a fire last summer at its refinery in the San Francisco Bay Area city of Richmond that sent thousands of residents to hospitals, many complaining of respiratory problems.

The San Ramon-based oil giant entered the plea to charges filed by the California Attorney General's Office and the Contra Costa District Attorney's Office, including failing to correct deficiencies in equipment and failing to require the use of certain equipment to protect employees from potential harm.

Both Chevron and government investigations determined that corrosion in a pipe caused a leak that sparked the Aug. 6, 2012, fire, sending a plume of black smoke over nearby residential areas. The investigations found Chevron failed to replace the 1970s-era pipe despite numerous warnings from its own inspectors.

"This criminal case achieves our goals of holding Chevron accountable for their conduct, protecting the public, and ensuring a safer work environment at the refinery," Contra Costa District Attorney Mark Peterson said in a statement.

In January, the company said in a report to county health officials that it had already paid about \$10 million in connection to nearly 24,000 claims from residents, and in compensation to area hospitals and local government agencies in Richmond and in Contra Costa County.

Company officials said most of that \$10 million went to hospitals for medical exams and treatment immediately following the incident.

Chevron also is still facing nearly \$1 million in citations issued by Cal OSHA, state Department of Industrial Relations Director Christine Baker said in a statement. Chevron has appealed that fine.

As part of Monday's agreement, Chevron will inspect all piping subject to the type of corrosion that caused the pipe at the Richmond refinery to fail and update its emergency response training program, according to prosecutors.

Chevron spokeswoman Melissa Ritchie confirmed the agreement with prosecutors and said the company is committed to improving safety at the refinery.

Ritchie said Chevron is conducting a comprehensive inspection of its refinery and also implementing a multimillion-dollar expansion of its air-monitoring system to include several sites in the surrounding communities.

A metallurgical report showed the 40-year-old pipe that failed, causing the leak,

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initially was weakened by the heavy sulfur content of the crude oil being pumped through it. After a small leak sent hydrocarbons into the air, a small flash fire was put out. But a larger gash in the pipe released a bigger cloud of flammable gas, leading to a larger fire.

A video released by the U.S. Chemical Safety Board in April showed how Chevron's decision not to shut down production after the small pipe leak was detected led to a series of bad decisions that made the leak worse. In one scene, a company firefighter strikes the pipe with a pike pole while trying to help colleagues pinpoint the leak.

A vapor cloud eventually engulfed 19 employees before the fire ignited. The workers escaped serious injury.

The \$2 million sum Chevron has agreed to pay includes \$1.28 million in fines, \$575,000 in reimbursements to the state Division of Occupational Safety and Health, the Bay Area Air Quality Management District and the State Attorney General's Office. Chevron also must contribute \$145,000 to a public-private partnership focused on training people for work in the renewable energy and construction fields.

Chevron is still facing a [lawsuit](#) [1] from the city of Richmond. The city filed the lawsuit Friday, alleging the pipeline leak that led to the fire was the result of "years of neglect, lax oversight and corporate indifference to necessary safety inspection and repairs."

Chevron has said the lawsuit is without merit.

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