

**Woodard, Marina (UTC)**

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**From:** Tibbits, Dan <Dan.Tibbits@nustarenergy.com>  
**Sent:** Tuesday, July 12, 2011 2:00 PM  
**To:** Lykken, David (UTC)  
**Cc:** Rukke, Scott (UTC); Subsits, Joe (UTC); Woodard, Marina (UTC)  
**Subject:** NuStar Letter Response Regarding Docket PL-110009  
**Attachments:** WUTC Letter Response Docket PL-110009 7-12-2011.pdf

**RECEIVED**

**JUL 12 2011**

State of Washington  
UTC  
Pipeline Safety Program

Dear Mr. Lykken,

Please accept this electronic letter version of NuStar Pipeline Operating Partnership L.P.'s response to your letter dated June 10, 2011. A hard copy letter will be sent in the mail today as well. Please feel free to contact me at the below number or Gary Koegeboehn at 316-721-7052.

Thanks,

Dan

**DANIEL J. TIBBITS**

Director, HSE - *Central East Region*  
NuStar Pipeline Operating Partnership L.P.  
316-721-7056  
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*Health, Safety & Environmental*  
*"Take Two...for Safety"*



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July 12, 2011

Washington Utilities and Transportation Commission  
1300 South Evergreen Park Dr., S.W.  
P.O. Box 47250  
Olympia, WA 98504-7250  
ATTN: Mr. David D. Lykken, Pipeline Safety Director

**RECEIVED**

**JUL 12 2011**

State of Washington  
UTC  
Pipeline Safety Program

RE: No. Docket PL-110009

Dear Mr. Lykken,

Thank you for the opportunity to respond to your correspondence dated June 10, 2011, which alleged four probable violations and two areas of concern. As you know, NuStar Pipeline Operating Partnership L.P. (NuStar) is dedicated to safety and being a good steward of the environment. After considering the below, NuStar respectfully requests that this matter is handled in an informal manner and you consider this matter closed without any additional action.

**1. 49 CFR §195.420(b) Valve Maintenance**

*(b) Each operator shall, at intervals not exceeding 7 ½ months, but at least twice each calendar year, inspect each mainline valve to determine that it is functioning properly.*

**Finding(s):**

Records indicate that valves 926A0662-1-3, L-6716-01-02, 92GA0662-7-4, and L-6716-01-03 were not operated twice in calendar year 2009 as required.

**Response:**

The valves were inspected in January 2010 and no issue was found with the valves performance and at no time was the system's safety compromised. While that inspection met the 7 ½ month criteria it did not meet the twice in one calendar year criteria for 2009. The issue was corrected in 2010. The semi-annual valve inspections are part of NuStar's compliance calendar. The calendar is set up so the valves will be inspected every 6 months and twice per calendar year. We also conducted additional training on this requirement with local operating personnel who performs the inspections.

**2. WAC 480-75-660(2) Procedural Manual for operations, maintenance, and emergencies**

*(2) Each pipeline company shall submit a copy of its current procedural manual to the commission and must submit any revisions to the procedural manual to the commission within thirty days of the procedural manual change. A new pipeline company must submit its procedural manual no later than sixty days prior to startup.*

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**Finding(s):**

NuStar has not submitted revised procedures to the Commission, as required, since 10/12/2007. Preparation for this inspection was based on a 2007 copy of your manual.

**Response:**

WUTC has been added to the distribution list for all future updates of the O&M Manual and Local Procedures.

**3. 49 CFR §195.402(a) Procedural Manual for operations, maintenance, and emergencies**

(a) *General. Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to ensure that the manual is effective. This manual shall be prepared before initial operations of a pipeline commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.*

**Finding(s):**

NuStar's procedure manual indicates that the Maximum Operating Pressure (MOP) is 550 psig. This may not be accurate as overpressure protection (OPP) devices have an approximate set point of 900 psig. This would not comply with the requirements that OPP not allow the pressure to exceed 110% of MOP. In addition, records indicate that on numerous occasions, the pressure exceeded 110% of MOP with a high pressure of 784 psig recorded on 12/13/2009 at 15:00:00.

Although records indicate that NuStar reviewed their manual at least annually, they failed to recognize this discrepancy and make the necessary changes to insure the manual is accurate.

**Response:**

The O&M Manual has been changed (addendum attached) to reflect the MOP of 1429 psig supported by the hydrostatic test records that have been provided to your office on April 26, 2011. The system integrity was never compromised and never operated close to exceeding the MOP.

**4. 49 CFR §195.402(a) Procedural Manual for operations, maintenance, and emergencies**

(a) *General. Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to ensure that the manual is effective. This manual shall be prepared before initial operations of a pipeline commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.*

**Finding(s):**

NuStar procedure, Kaneb Section 4-G, requires fire extinguishers to be maintained on a monthly basis and that records are maintained. Since manual updates were not provided as required we are unsure if this procedure has been incorporated into the NuStar procedures manual that was

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recently provided to us. If it is, we have been unable to find it. NuStar contract personnel did not keep records of fire extinguisher maintenance until February 2011, but did indicate that maintenance has been performed as required.

**Response:**

Local operating personnel have been re-trained regarding this documentation and retention procedure.

**AREAS OF CONCERN:**

1. Pressure records were reviewed that indicate a segment of the pipeline experienced negative pressures up to a recorded -249 psig on November 24 and 23, 2010. NuStar operating personnel indicated that this may have been due to temperature changes of the product during shut-in. No Abnormal Operating Condition (AOC) was detected.
  - a) *Please provide an explanation of the negative pressures recorded on the pipeline and indicate if there are any issues or concerns.*

The negative pressures were related to electrical problems encountered at the site during the time period. These problems affected several instruments and technicians were called out to rectify the problem. Negative pressures are of concern in as much as they indicate a problem with instrumentation utilized for pipeline operations. The pipeline was down during the period and pressures were very erratic both negative and positive.
  - b) *Would this be considered and AOC?*

An instrumentation error when the line is not operating does not meet the definition of an AOC.
  - c) *How would this affect your ability to detect leaks during shut-in?*

Malfunctioning pressure instrumentation would negatively impact our abilities to detect leaks during shut-in as pressure changes may be our first indication of a problem. That noted, we have also recognized that the relatively low shut-in pressures often associated with this pipeline may also pose some problems for leak detection and launched a project in August of 2010 to install an advanced leak detection system on this line that utilizes a transient hydraulic model to enhance our capability to detect relatively small releases across a wide variety of operating conditions. This project currently is scheduled to be completed by the end of August 2011.
  - d) *Was this negative pressure detected and investigated by NuStar's personnel?*

While our logs do not detail the specifics of the instrumentation affected by the electrical problems encountered during the period, problems were reported to and rectified by local technicians.
2. Please explain why engineering, supervisory and operating personnel, especially those who are Operator Qualified, did not detect any issues with an MOP of 550 psig and a relief set point of 900 psig. This would exceed the 100% of MOP pressure limitation allowed by code.



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Local operators recognized that the design pressure was higher than the 900 psig control valve setting. They assumed that the 550 psig listed in the O&M Manual was the normal operating pressures. They also knew pressures had not exceeded the valve pressure.

After considering the above and our cooperation in this matter, NuStar respectfully requests that this is handled in an informal manner and you not issue any administrative or other enforcement action. Thank you for your attention to this matter and please do not hesitate to contact me if I can provide any additional information.

Sincerely,

*Daniel J. Tibbits for*

Gary Koegeboehn  
VP/GM Operations

cc: Dan Tibbits, Regional HSE Director

Enclosure



July 12, 2011

To: All Pasco Tidewater Pipeline Personnel  
Dan Tibbits – Director HSE, Central East Region  
Chad Haegelin, Senior Manager IMP  
Bill Mamalakis, Senior Manager Product Movement

From: Aaron W. Martinez, Lead Pipeline Safety Specialist, Corporate HSE

RE: Addendum to O&M Manual – Correct MOP for Pasco Tidewater Pipeline

Effective Immediately, the attached Maximum Operating Pressure (MOP) shall serve as an addendum to the MOP listed in the NuStar Operations and Maintenance (O&M) Manual, Appendix D2-B, Revision 5a. The attached MOP represents a correction to a previously misreported MOP.

This MOP has been established in accordance with 49 CFR Part 195.406(a).

This addendum should be attached to the terminal, regional, and control room copies of the O&M Manual. Revision 6 of the O&M Manual (to be published prior to the end of 2011) will include a permanent correction to the Pasco Tidewater Pipeline MOP.



MOP

System Name	Segment Name	TLC Number	Abs Start Station	Abs End Station	MOP
Pasco WA Tidewater Station - BN	Pasco, WA Tidewater Station to B/N	K100-32-0030	0.0	22098.0	1429