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**FED EX**

July 12, 2010

David D. Lykken  
Pipeline Safety Director  
Washington Utilities and Transportation Commission  
1300 S. Evergreen Park Drive S.W.  
Olympia, Washington 98504-7250

2010 JUL 13 AM 9:21  
RECEIVED  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION  
OFFICE OF THE SAFETY DIRECTOR

Re: Letter of "Areas of Concern" dated June 14, 2010  
Olympic Pipe Line Company – Ref. No. Docket PL-100014

Dear Mr. Lykken:

Olympic Pipe Line Company is writing in response to the referenced "Area of Concern Letter" received in our offices on June 15, 2010. Subject to the clarifications and explanations set forth in this response and any further response from the Washington Utilities and Transportation Commission "WUTC", Olympic Pipe Line reserves its right to a hearing on such plan amendment issues, if any, which WUTC deems unresolved by this response. We do not wish to contest any of the findings in this "Area of Concern Letter" and respectfully submit the following additional information that answers and closes out these allegations. Therefore, it is our belief that the concerns as described in PL-100014 have been fully addressed.

We have responded separately to each element of your letter which alleges a purported deficiency after the inspection of our pipeline by the WUTC during the week of May 17, 2010; for the sake of clarity, we have restated below the alleged deficiencies as set forth in your letter:

**Item 1 – 49 CFR Part 195.567** Which pipelines must have test leads and what must I do to install and maintain the leads?

(c) **Maintenance.** You must maintain the test lead wires in a condition that enables you to obtain electrical measurements to determine whether cathodic protection complies with §195.571.

**Findings:** The test leads at the following two cathodic protection test stations for the 12" SeaTac lateral need to be repaired:

- (a) Mile Post 1 (MP1) mainline block valve site north of the Green River, test station TP JAC Box (adjacent to Jack in the Box restaurant).
- (b) Pipeline crossing under I-5 Freeway (test leads for both carrier pipe and casing).

**Response**

- (a) The test leads have been repaired.
- (b) Due to the location and severe slope at the location of the test lead connection we will be modifying our approach to take these readings. The reading for the casing can be taken from the vent pipe, since it is welded directly to the casing and provides an exact reading of the casing. The pipe reading will need a new connection of the test lead which might be within 100 feet of the vent pipe where a safe access point can be found to provide that connection. The property owner was contacted in order to determine their conditions and requirements for relocating the test point. Permitting is also being researched for the excavation for this new test point. We will plan to have this completed by 9/30/2010.

***Item 2 - WAC 480-75-510 - Remedial action for corrosion deficiencies.***

Pipeline companies must initiate remedial action as necessary to correct any deficiency observed during corrosion monitoring, within ninety days after the pipeline company detects the deficiency.

- (a) During the field inspection of the Vancouver, the pipe-to-soil potential reading was -0.840 volts at the test station where the pipeline crosses under the Lower River Road outside of the Port of Vancouver gate. The inadequate cathodic protection was most likely caused the adjustment of the rectifier at the Vancouver Junction (rectifier #357) on May 11, 2010, about a week before the field inspection. The rectifier needs to be adjusted again to ensure code compliance of the minimum -0.850 volts with rectifier on and with consideration of IR drop.
- (b) The 6" Olympia Lateral was taken out of service in April 2009 and the pipeline has been idled with approximately 15 psig of nitrogen in the line and with cathodic protection provided. In April 2010, a section of about 500 feet of pipe was removed at approximately 2.5 miles from the end of the pipeline to accommodate a new housing development. This 2.5 mile long pipeline section has not been provided with cathodic protection ever since it was disconnected from the rest of the pipeline. A cathodic protection system must be provided for the 2.5 mile long pipeline section within 90 days after it was

disconnected from the rest of the pipeline. It is to be noted that UTC staff was advised during the exit interview that a work order had already been issued to initiate a remedial action.

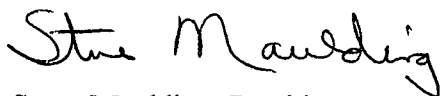
**Response**

- (a) During the visit to adjust the rectifier, the readings on the lateral now meet the required minimum levels of -0.850 volts with rectifier on and with consideration of IR drop without having to do any changes to the rectifier. In our discussion with a Tesoro Vancouver employee, he had remarked that their CP system had been off for several weeks for some tie-in activities. Since we have a critical bond with Tesoro, this may have also contributed to the low CP reading. The Tesoro rectifier was back on and functioning at the time of the readings.
  
- (b) On June 29, 2010, Norton Corrosion Limited (NCL) personnel completed an inspection of a segment of the Olympia lateral. Approximately 3 miles of this pipeline (station 649+53 to 787+24) have been separated from the section of the lateral that is receiving cathodic protection (CP). Testing was conducted to determine the type of CP system that would be required to protect this piping. Current requirement testing indicates the pipeline can be protected with 30 milliamps of current. Soil resistivity testing indicates that soil layer resistivity's fall in the range of 200,000 to 500,000 Ohm-cm. The high soil resistivity makes it difficult to utilize galvanic CP.

Multiple options were proposed and the installation of a small powered CP system, consisting of a rectifier and 6 canister anodes installed in three 20-foot holes was selected. This option would require installing a power drop at a nearby power pole. Work is underway for acquisition of permits and other approvals.

Olympic Pipe Line Company remains committed to working cooperatively with your office with the ultimate goal of further enhancing the safety of our operations. Please feel free to contact me if you have any questions or further concerns.

Sincerely yours,



Steve Maulding, President  
Olympic Pipe Line Company

CC: David Knoelke