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June 6, 2011

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

**RE: Chevron Pipe Line Company – Ferndale Terminal  
Docket PL-100248**

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RECORDS MANAGEMENT  
2011 JUN - 7 AM 9:35  
STATE OF WASH.  
UTIL. AND TRANSP.  
COMMISSION

Dear Mr. Lykken:

On September 27, 2010, Chevron Pipe Line Company's (CPL) submitted a response to Washington Utilities and Transportation Commission (WUTC) regarding a Notice of Probable Violation (NOPV) Docket PL-100248 of the Ferndale Terminal located in Ferndale, WA.

NOPV Item No. 7 stated CPL was not performing the required inspections on tanks T-1 & T-2 per Section 4 of API 653. Given that the breakout tanks at Ferndale are low pressure (API 620) tanks and current regulations address tanks built to API 650 required CPL to review industry standards and practices regarding the type inspections we should perform. CPL requested additional time to perform this research. Our request was granted allowing CPL additional time to consult with industry experts.

After consulting with industry and Chevron tank experts, CPL has determined performing an internal inspection per Section 4 of API 653 will not compromise the integrity of breakout tanks T-1 & T-2.

We have tentatively schedule the internal inspection of breakout tank T-1 in 2014. If you have questions or need further information, please contact me at (713) 432-3332.

Sincerely,

*Electronic Transmittal*

cc: J. Subits, WUTC Supervisor