

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of)	DOCKET NO. PL-040123
)	
ARCO WESTERN GAS PIPELINE)	ORDER NO. 01
COMPANY AND BP PIPELINES)	
(NORTH AMERICA) INC.,)	
)	
Petitioner,)	
)	
Seeking Temporary Authorization to)	
Operate a Facility with a Maximum)	
Allowable Operating Pressure)	
Greater Than Five Hundred psig)	
Pursuant to WAC 480-93-020)	ORDER GRANTING REQUEST
.....)	

BACKGROUND

- 1 On January 28, 2004, BP Pipelines (North America) Inc., (BP) successor to Arco as operator of the Ferndale Pipeline filed with the Commission a petition requesting Commission approval to operate above five hundred psig (pounds per square inch gauge) in accordance with WAC 480-93-020.

- 2 WAC 480-93-183 requires companies to petition the Commission for a waiver of WAC 480-93-020 if applicable, before operating a pipeline above five hundred psig. Consistent with WAC 480-93-230, the Commission considered the petition at its regular open meeting on February 11, 2004.

- 3 WAC 480-93-020 prohibits operating a facility above five hundred psig within five hundred feet of: a building intended for human occupancy which is in existence or under construction prior to the date the Company seeks authorization for construction with the Commission; property which has been zoned as residential or commercial prior to the date authorization for construction is filed with the commission; a well-defined outside area, such as a

playground, recreation area, outdoor theater, or other place of public assembly, which is occupied by twenty or more people, sixty days in any twelve-month period which is in existence or under construction prior to the date the Company seeks authorization for construction; or a public highway, as defined in RCW 81.80.010(3).

- 4 BP proposes to uprate the Maximum Allowable Operating Pressure (MAOP) of the 30.7 mile, 16 inch diameter Ferndale Pipeline from the current 550 psig to a new MAOP of 950 psig. The pressure increase is necessary to provide needed capacity to serve the Cherry Point Refinery, Aluminum Smelter, and the new proposed Cogeneration Plant.
- 5 BP has provided a copy of its uprate procedure to the Commission's Pipeline Safety Division staff ("Staff") for review. The proposed uprate procedure as reviewed by Staff meets all applicable state and federal pipeline safety codes and requirements.
- 6 Commission Staff reviewed the request and recommended authorization be granted subject to conditions set forth in paragraph 11.

FINDINGS AND CONCLUSIONS

- 7 (1) The Washington Utilities and Transportation Commission is an agency of the State of Washington vested by statute with the authority to regulate every person or corporation transporting natural gas by pipeline, or having for one or more of its principal purposes the construction, maintenance or operation of pipelines for transporting natural gas. RCW 80.28.210.
- 8 (2) BP is subject to the jurisdiction of the Commission under the provisions of RCW 80.28.210 and Chapter 480-93 WAC.

- 9 (3) BP prepared and sent notification to property owners detailing their proposal, and where and when comments could be made. The Commission received two comments.
- 10 (4) BP proposes to increase the MAOP of the Ferndale Pipeline system from 550 psig to 950 psig. Completion of this uprate will increase system supply pressure and provide the fuel capacity needed for the Cherry Point Refinery, the Aluminum Smelter, and the proposed Cogeneration Plant.
- 11 (5) This approval is conditioned on the following requirements:
- (a) BP shall prepare a detail plan that will administer the pressure increase in consultation with the WUTC Pipeline Staff, and must contain elements including: 1) Notification plan for stakeholders including emergency responders and landowners; 2) Specific procedure to be followed; 3) Roles and responsibilities of participants; 4) Communication and documentation requirements during the increase; and 5) Contingency actions.
 - (b) Prior to any increase in pressurization, BP must conduct an internal inspection of the entire pipeline, using tools to detect any corrosion or deformation. BP must address any anomalies prior to proceeding with any increase in line pressure.
 - (c) After initial inspections are completed, BP must undertake a four-stage increase in pressurization. This conforms to 49 C.F.R. §192.551. Each staging increment should accomplish approximately 25% of the total operating pressure increase:

Stage 1	650 psig
Stage 2	750 psig
Stage 3	850 psig
Stage 4	950 psig

Between each stage, BP must block in the pipeline to hold the pressure constant for at least four hours while inspecting the pipeline for leaks.

- (d) BP must inspect for leaks by 1) monitoring pressure in each segment of the line, and 2) walking the entire length of the pipeline while using a "sniffer" to check for leaks. BP must pay special attention to areas around the isolation valves, located at Sumas and at five-mile increments along the pipeline. If a leak is discovered, BP company personnel may not give approval to proceed to the next stage until the leak is located and repaired in conformity with 49 C.F.R. §192.553.
- (e) BP must increase its right-of-way ground patrol and leak detection survey to a quarterly basis, with a maximum period between patrols of 4.5 months.

12 (6) This matter was brought before the Commission at its regularly scheduled meeting on February 11, 2004.

13 (7) After examination of the petition and giving consideration to all relevant matters and for good cause shown, the Commission finds it is consistent with the public interest to grant BP's request to operate above five hundred psig, subject to conditions.

O R D E R

THE COMMISSION ORDERS:

14 (1) Subject to the conditions in Paragraph 11, the petition of BP Pipelines (North America) Inc., for authorization to operate above five hundred psig is granted, in accordance with WAC 480-93-020.

- 15 (2) The Commission retains jurisdiction over the subject matter and BP
Pipelines (North America) Inc., to effectuate the provisions of this Order.

DATED at Olympia, Washington, and effective this 11th day of February, 2004.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARILYN SHOWALTER, Chairwoman

RICHARD HEMSTAD, Commissioner

PATRICK J. OSHIE, Commissioner