



STATE OF WASHINGTON

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

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(360) 664-1160 • TTY (360) 586-8203

Ref. No. Docket PL-070131

**CERTIFIED MAIL**

January 8, 2008

Stephen Dyer  
Vice President, Manufacturing  
Agrium U.S. Inc.  
13131 Lake Fraser Drive S.E.  
Calgary, Alberta T2J7E8  
Canada

Dear Mr. Dyer:

**Subject: 2007 Hazardous Liquid Standard Inspection – Agrium Ammonia Line**

We conducted an inspection from December 17, 2007 to December 18, 2007 of Agrium U.S. ammonia pipeline. The inspection included a records and procedures review and an inspection of pipeline facilities.

Our inspection indicates twenty-three probable violations as noted in the enclosed report. We also noted one area of concern, which unless corrected, could potentially lead to future violation of state and/or federal pipeline safety rules.

**Your response needed**

Please review the attached report and respond in writing by February 11, 2008. The response should include how and when you plan to bring the probable violations into full compliance.

**What happens after you respond to this letter?**

The attached report presents staff's decision on probable violations and does not constitute a finding of violation by the commission at this time.

After you respond in writing to this letter, there are several possible actions the commission, in its discretion, may take with respect to this matter. For example, the commission may:

- Issue an administrative penalty under RCW 81.88.040, or



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- Institute a complaint, seeking monetary penalties, changes in the company's, practices, or other relief authorized by law, and justified by the circumstances, or
- Consider the matter resolved without further commission action.

We have not yet decided whether to pursue a complaint or penalty in this matter. Should an administrative law judge decide to pursue a complaint or penalty; your company will have an opportunity to present its position directly to the commissioners.

If you have any questions, or if we may be of any assistance, please contact Joe Subsits at (360) 664-1322. Please refer to Docket PL-070131 in any future correspondence regarding this inspection.

Sincerely,

A handwritten signature in cursive script, appearing to read "Carole J. Washburn".

Carole J. Washburn  
Executive Secretary

cc: Don LaRue

**UTILITIES AND TRANSPORTATION COMMISSION**  
**2007 Hazardous Liquid Pipeline Safety Inspection**  
**Agrium U.S. – Ammonia Line**  
**Docket PG-070131**

The following probable violations of Title 49, CFR Part 195 were noted as a result of the inspection of the Agrium U.S., ammonia pipeline. The inspection included a random selection of records, operation and maintenance, emergency response, inventory and field inspection of the pipeline facilities.

**PROBABLE VIOLATIONS**

1. **49 CFR 195.402(a) Procedural manual for operations, maintenance and emergencies**

*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 month, but at least once each calendar year, and appropriate changes made as necessary to insure that the manual is effective.*

**Finding(s):**

There was no evidence that the Agrium's manual received the required annual review.

2. **49 CFR 195.402(c)(13) Procedural manual for operations, maintenance and emergencies**

*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.*

*The manual must include procedures for the following to provide safety during maintenance and normal procedures:*

*Periodically reviewing the work done by operator personnel to determine the effectiveness of the procedures used in normal operation and maintenance and taking corrective action where deficiencies are found.*

**Finding(s):**

There was no procedure found in the O&M Procedures requiring periodic review of personnel work to determine effectiveness of procedures. Also, there was no documentation proving that this review had been done by the operator.

3. **49 CFR 195.403(c) Emergency Response Training**

*Each operator shall require and verify that its supervisors maintain a thorough knowledge of that portion of the emergency response procedures established under 195.402 for which they are responsible to ensure compliance.*

**Finding(s):**

There was confirmation that supervisors took the hazwopper refresher but there was no evidence that supervisors maintained a thorough knowledge of the portion of the procedures that they are responsible for.

4. **49 CFR 195.404(b)(1) Maps and Records**

*Each operator shall maintain for at least three years daily operating records that indicate the discharge pressure at each pump station.*

**Finding(s):**

There were no records indicating discharge pressure at the pump station. There were line pressure records for the receiving end of the ammonia line.

5. **49 CFR 195.555 What are the qualifications for supervisors?**

*You must require and verify that supervisors maintain a thorough knowledge of that portion of the corrosion control procedures for which they are responsible for insuring compliance.*

**Finding(s):**

There was no evidence that supervisors maintained a thorough knowledge of appropriate corrosion control procedures.

6. **49 CFR 195.583(a) What must I do to monitor atmospheric corrosion control?**

*You must inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion at least once every three calendar years, but with intervals not exceeding 39 months.*

**Finding(s):**

There were no records indicating that atmospheric corrosion monitoring had been done.

7. **49 CFR 195.402 (c)(3) Procedural Manual for Operations, Maintenance and Emergencies**

*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.*

*The manual must include procedures for the following to provide safety during maintenance and normal procedures:*

*Operating, maintaining and repairing the pipeline in accordance with each of the requirements of subpart F. 49 CFR 195.404 is in subpart F and addresses Maps and Records.*

**Finding(s):**

49 CFR 195.404(a)(1)(ii) requires that current maps and records be maintained for the specified pipeline components. Agrium's procedure did not include pump stations as required. This requirement needs to be added to your procedure.

8. **49 CFR 195.402 (c)(3) Procedural Manual for Operations, Maintenance and Emergencies**

*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.*

*The manual must include procedures for the following to provide safety during maintenance and normal procedures:*

*Operating, maintaining and repairing the pipeline in accordance with each of the requirements of subpart H. 49 CFR 195.555 is in subpart H and requires that supervisors maintain a thorough knowledge of the portion of corrosion control procedures for which they are responsible. Supervisor knowledge must also be verified.*

**Finding(s):**

The requirement could not be found in the procedures.

9. **WAC 480-75-300(3) Leak Detection**

*Companies must have a leak detection procedure and a procedure for responding to alarms. The operator must maintain leak detection maintenance and alarm records.*

**Finding(s):**

There were no alarm records maintained by the operator.

10. **WAC 480-75-660 Operations Safety Plan Requirements (2)(a)**

*At a minimum the plan must include the requirements of 480-75 WAC.*

*480-75-610 WAC Reporting requirements for Proposed Construction requires reporting construction activity to the commission at 45 days prior to construction.*

**Finding(s):**

The plan did not include requirements to notify the commission of proposed construction.

11. **WAC 480-75-660 Operations Safety Plan Requirements (2)(a)**

*At a minimum the plan must include the requirements of 480-75 WAC.*

*480-75-620 WAC Pressure Testing Reporting Requirements requires that the commission be notified 45 days prior to a hydrotest which is used to raise the maximum operating pressure.*

**Finding(s):**

There was no procedure to notify the commission of hydrotesting used to raise the maximum operating pressure.

12. **WAC 480-75-660 Operations Safety Plan Requirements (2)(a)**

*At a minimum the plan must include the requirements of 480-75 WAC. 480-75-300 WAC requires a leak detection procedure and procedure for responding to alarms.*

**Finding(s):**

A leak detection procedure and procedure for responding to alarms could not be found.

13. **WAC 480-75-660 Operations Safety Plan Requirements (2)(a)**  
*At a minimum the plan must include the requirements of 480-75 WAC. 480-75-400 addresses backfilling and bedding requirements.*

**Finding(s):**

No procedure was found to address this requirement,

14. **WAC 480-75- 660 Operations Safety Plan Requirements (2)(a)**  
*At a minimum the plan must include the requirements of 480-75 WAC. 480-75-460 Addresses weld inspection requirements.*

**Finding(s):**

No procedure was found to address this requirement.

15. **WAC 480-75-660 Operations Safety Plan Requirements (2)(a)**  
*At a minimum the plan must include the requirements of 480-75 WAC. 480-75-660(2)(a)(v) addresses emergency management training for operators.*

**Finding(s):**

No procedure was found to address this requirement.

16. **WAC 480- 660 Operations Safety Plan Requirements (2)(a)**  
*At a minimum the plan must include the requirements of 480-75 WAC. 480-75-660(2)(a)(vi) addresses earthquake response procedures.*

**Finding(s):**

No procedure could be found to address this requirement.

17. **WAC 480-75-660 Operations Safety Plan Requirements (2)(a)**  
*At a minimum the plan must include the requirements of 480-75 WAC. 480-75-500 addresses moving and lowering hazardous liquid pipelines.*

**Finding(s):**

No procedure could be found to address this requirement.

18. **WAC 480-75-660 Operations Safety Plan Requirements (2)(a)**  
*At a minimum the plan must include the requirements of 480-75 WAC. 480-75-520 addresses pipe inspections during excavations and prior to backfilling*

**Finding(s):**

No procedure was found that addressed this requirement.

19. **49 CFR 195.505(a) Qualification of Pipeline Personnel**  
*Each operator shall have and follow a written program. The program shall include provisions to identify covered tasks*

**Finding(s)**

Maintenance activities required in 49 CFR 195 were not listed as covered tasks. As a result, there was no process to qualify personnel who perform these tasks. Agrium needs to identify covered tasks in accordance with the requirements in Subpart G. Once the tasks are identified, a qualification process must be developed and carried out.

20. **49 CFR 195.505(b) Qualification of Pipeline Personnel**  
*Each operator shall have and follow a written program. The program shall include provisions to ensure through evaluation that individuals performing covered tasks are qualified.*

**Finding(s)**

Maintenance activities required in 49 CFR 195 were not listed as covered tasks. As a result, there was no process to qualify personnel who perform these tasks. Agrium needs to identify covered tasks in accordance with the requirements in Subpart G. Once the tasks are identified, a qualification process must be developed and carried out. Also abnormal operating conditions must be identified and reviewed with the personnel as part of the qualification process.

## **DRUG AND ALCOHOL PROGRAM**

1. **49 CFR 199.101 Anti-Drug Plan**  
*Each operator shall maintain and follow a written anti-drug plan that conforms to the requirements of this part and DOT procedures. The plan must contain methods and procedures for compliance with all the requirements in 49 CFR 199.*

*49 CFR 199.105(f) specifies that follow up test will include 6 tests within the first 12 month period.*

**Finding(s)**

The Anti-drug program needs to specify that 6 tests be conducted within the first 12 months of follow-up testing.

2. **49 CFR.199.101 Anti-Drug Plan**  
*Each operator shall maintain and follow a written anti-drug plan that conforms to the requirements of this part and DOT procedures. The plan must contain methods and procedures for compliance with all the requirements in 49 CFR 199.*

*49 CFR 199.109(d) requires that the MRO report all drug test results to the operator in accordance with DOT procedures.*

**Finding(s)**

The anti-drug program needs to state the MRO must report all drug tests to the operator in accordance with DOT procedures. This statement was not found in the Plan.

3. **49 CFR.199.101 Anti-Drug Plan**

*Each operator shall maintain and follow a written anti-drug plan that conforms to the requirements of this part and DOT procedures. The plan must contain methods and procedures for compliance with all the requirements in 49 CFR 199.*

*49 CFR 199.109(f) states that the substance abuse professional may not refer covered employees to their private practice or a practice they receive remuneration.*

**Finding(s)**

The anti-drug program needs to state that substance abuse professional not self refer covered employees or refer employees to a practice that they receive remuneration from. This statement was not found in the plan.

**AREAS OF CONCERN**

1. RCW 19.122.035(2) requires that flow be terminated in a pipeline upon receiving notice of third party damage. Also, the operator is required to visually inspect the damaged pipeline and determine if line needs to be repaired or replaced. These requirements should be added in your O&M manual