
T I D E W A T E R

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January 12, 2012

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

**RE: Response Letter
 2011 Review of Operations and Maintenance Manual
 Snake River Terminal
 Tidewater Terminal Company
 671 Tank Farm Road
 Pasco, Washington 99301
 Ref. No. Docket PL-111555**

Dear Mr. Lykken,

The Washington Utilities and Transportation Commission (UTC) conducted an office review of Tidewater Terminal Company's D.O.T. Operations and Maintenance Manual (O&M Manual) for the Snake River Terminal. The review included both the O&M and the Operational Procedures and Policies Manual. Probable violations and areas of concern identified during the review were described in an inspection report (Docket No. PL-111555) which was attached to UTC's letter dated December 14, 2011. UTC's letter requests Tidewater review the inspection report and respond in writing by January 17, 2012 with a description of how and when Tidewater plans to bring the probable violations into full compliance.

Tidewater has completed its review of the inspection report and has developed a plan to address each of the probable violations and areas of concern. Proposed corrective actions for each of the probable violations and areas of concern are described in the attached spreadsheet. Tidewater proposes a March 1, 2011 completion date for all of the corrective actions. Please know that we have already initiated work related to completing many of the corrective actions, and will also track each of the corrective actions through closure using our audit corrective action tracking system.

TIDEWATER TERMINAL COMPANY

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Tidewater appreciates UTC's assistance relative to pipeline compliance and trust the proposed corrective actions are sufficient to bring the probable violations and areas of concern into full compliance. Please contact the undersigned at 360-759-0338 if you have any questions concerning the attached spreadsheet or if you require additional information.

Sincerely,



Brian K. Rankin
Quality and Compliance Manager

cc: Andy Stephens – VP Business Development and Terminal Operations
Sam Pounds – Director, EHS&S
Pat Jensen – Snake River Terminal

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Finding Number	Finding	Corrective Action	Due Date	Responsible Person
1	49 CFR 195.52(c) requires each operator to have a written procedure to calculate the volume of product released for such an event. This procedure needs to be added to the Manual and/or the <u>Operational Procedures & Policies Manual</u> .	1. Develop formula to calculate initial estimate of volume of product released in event of a spill. 2. Update O&M Manual Section 800 with formula.	1. 12-FEB-12 2. 1-MAR-12	1. Bill Collins 2. Brian Rankin
2	49 CFR 195.64 becomes effective 01/01/2012. Although Tidewater has an OPID issued by PHMSA, the Manual does not reference an OPID. As all future submissions to PHMSA and to the National Pipeline Mapping System will require using this unique identifier, all of Tidewater's reporting policies and procedures required under 49 CFR Part 195 need to reflect this.	1. Confirmed OPID Number as 31051. 2. Add OPID Number to cover page of O&M Manual. 3. Section 800 "Accident Reporting Requirements" will be modified to reflect the inclusion of Tidewater's OPID number on all annual reports, accident reports, and safety-related reports that are submitted to both PHMSA and UTC. 4. Add 49 CFR 195.64 to cross-reference.	1-Mar-12	1. Josh Jarman 2. Brian Rankin 3. Josh Jarman 4. Brian Rankin
3	49 CFR 195.58(a) requires operators file reports electronically except as noted. Tidewater's Manual and/or <u>Operational Procedures & Policies Manual</u> does not have any electronic reporting requirements or procedures for doing so.	1. Rewrite section 800 and 810 of O&M Manual on reporting to reflect electronic reporting requirement.	1-Mar-12	1. Brian Rankin
4	49 CFR 195.214(a) requires any welding to be performed by qualified welders using qualified procedures. The AWS Standard Welding Procedures cited in the Manual are not signed indicating they are Tidewater's qualified procedures. Also, these procedures prescribe an uphill direction of travel for the weld. The qualification testing documents for the individual welders indicate a downhill direction of travel.	1. Add QW-484 Welder/Welding Operator Performance Qualifications and Welder Qualification Test to AWS Standard Welding Procedures and approve and sign reflecting they are Tidewater's qualified procedures which will clarify the uphill vs. downhill direction of travel finding.	1-Mar-12	1. Ron McClary
5	49 CFR 195.402(a) requires TPCI to update the Manual annually. Although revision language is included in Section 201.1 of the Manual, part of this update must include a review of applicable federal and state code revisions which need to be reflected in the Manual. Many of the findings presented here are the result of not incorporating these code revisions into the Manual. The procedure needs to include who is responsible for insuring any applicable revisions are included into the annual update.	1. Task in ESS to be updated to reflect review of applicable state and federal code requirements as part of annual review of O&M Manual. 2. Section 201.1 of the O&M Manual to reflect requirement to review of applicable state and federal codes and responsibility for doing this.	1-Mar-12	1. Brian Rankin 2. Brian Rankin

6	49 CFR 195.402(c)(11) requires operators to identify locations, if any, near their facilities where the potential exists for the presence of flammable liquids or gases. The Manual needs to address which locations, if any, would meet these criteria for Tidewater's operations at the Snake River Terminal.	<ol style="list-style-type: none"> 1. The following locations near Tidewater Terminal Company have been identified as having potential flammable liquids or gases: Tidewater Terminal Company - Snake River Terminal, Cascade Natural Gas Pipeline, Chevron Northwest Terminal. Chevron Pipeline. 2. Add locations to manual in Section 202 and refer to map for locations. 3. Change cross-reference to reflect location. 	1-Mar-12	<ol style="list-style-type: none"> 1. Josh Jarman 2. Brian Rankin 3. Brian Rankin
7	49 CFR 195.402(d)(2) requires the operator to identify specific critical systems locations to check to determine system integrity and safe operation. These "critical locations" need to be identified in the manual.	<ol style="list-style-type: none"> 1. Generate listing of critical systems and locations to check to determine system integrity and safe operations. 2. Add listing of critical systems and locations to manual in 328.1. 	1-Mar-12	<ol style="list-style-type: none"> 1. Pat Jensen 2. Brian Rankin
8	49 CFR 195.402(e)(7) requires notification and coordination with local emergency response personnel and public officials. The "Cross Reference" in the Manual references Figure 502.1 to satisfy this part of the regulation; however, this figure could not be located. Additionally, the Manual needs to specifically address if emergency responders are consulted on the hazards of Tidewater's operations and what resources those agencies can bring to bear during an emergency.	<ol style="list-style-type: none"> 1. Add verbiage to Section 204 to reference list of emergency responders located in Integrated Contingency Plan, Volume 1, Section 3. 2. Revise cross reference to reflect correct information. 	1-Mar-12	<ol style="list-style-type: none"> 1. Mark Davis 2. Brian Rankin
9	49CFR 195.403(a)(part of subpart F) states "...where feasible, a simulated pipeline emergency condition." There is no reference in the Manual that this training has been determined to be feasible or whether it is included as part of routine training.	<ol style="list-style-type: none"> 1. Modify emergency response training to call out items specified in 195.403(a). 2. Section 209 "Training" will be modified to include the training requirement of a simulated pipeline emergency during the annual emergency response training. 3. Add verbiage reflecting this to section 209 of the O&M Manual. 	1-Mar-12	<ol style="list-style-type: none"> 1. Bill Collins 2. Josh Jarman 3. Brian Rankin
10	49 CFR 195.403(c)(part of subpart F) requires supervisors to maintain a thorough knowledge of emergency response procedures under their responsibility. The Manual does not detail how Tidewater verifies that supervisors are maintaining appropriate knowledge of their area of responsibility for emergency response procedures.	<ol style="list-style-type: none"> 1. There is an ESS Task to ensure that supervisors are tested on their knowledge of emergency response procedures. 2. Add verbiage to O&M Manual in Section 209 reflecting this. 	1-Mar-12	<ol style="list-style-type: none"> 1. Josh Jarman 2. Brian Rankin

11	49 CFR 195.404 (part of subpart F) requires minimum information to be available for operations and maintenance procedures. The Manual references Appendix 300A to satisfy this portion of the regulation, however, this appendix does not provide diameter, grade, type, and nominal wall thickness of pipe.	1. Appendix 300A will be updated with the following information regarding our pipeline system: diameter, grade, type, and nominal wall thickness of all pipe. 2. Change cross-reference matrix to refer to Appendix 300A.	1-Mar-12	1. Josh Jarman/Brian Rankin 2. Brian Rankin
12	49 CFR 195.428(c) requires aboveground breakout tanks which meet this criteria to have overfill protection per API 2350. It cannot be determined which, if any, of Tidewater's regulated breakout tanks meet this criteria or if Tidewater's overfill protection meets API 2350. Tidewater should have procedures in place to meet this regulation should a breakout tank be significantly altered.	1. Determine what (if any) tanks meet the criteria. 2. Write procedures (per API 2350) to meet requirements to be inserted in 205.8 of manual.	1-Mar-12	1. Ron McClary 2. Ron McClary/Brian Rankin
13	49 CFR 195.440(d)(2)(part of subpart F0 specifically requires educating the public regarding the hazards associated with activities at Tidewater's Snake River Terminal. However, this Manual only describes how Tidewater helps its excavators and other interested parties identify their pipe. The Manual does not indicate that Tidewater has shared the hazards associated with unintended releases from the pipeline with the general public or the other interested parties.	1. Section 214 "Public Education" will be modified to reflect who exactly is notified and how they are educated on the hazards of unintended releases. Public awareness notifications are sent out annually. 2. Update manual to meet requirements.	1-Mar-12	1. Josh Jarman 2. Brian Rankin
14	49 CFR 195.440(d)(3) and (4)(part of subpart F) require the operator of hazardous liquid pipeline to educate the public as to physical indications of a possible release and what to do if a release does happen. The manual does not specify if Tidewater has 1) notified potentially affected parties what to look for and 2) what to do if a release occurs.	1. Section 214 "Public Education" will be modified to reflect who exactly is notified and how they are educated as to physical indications of a possible release and what to do if it occurs. Public awareness notifications are sent out annually. 2. Update manual to meet requirements.	1-Mar-12	1. Josh Jarman 2. Brian Rankin
15	49 CFR 195.442(c)(1) requires the operator to include the identity of persons normally engaged in excavation activities. The Manual does note that a list of such excavators is kept by Tidewater, however, this list is not in the Manual or a specific location identified.	1. Section 214 "Public Education will be updated with a list of persons normally engaged in excavation activities. Public awareness notifications are sent out annually. 2. Add information to manual	1-Mar-12	1. Josh Jarman 2. Brian Rankin

16	49 CFR 195.442(c)(2) requires specific notice to affected persons around the operator's pipeline system. The Manual does not address how the general public in the vicinity of the pipeline is informed on the existence of the pipeline or the damage prevention program or how to locate an underground pipeline before excavation activities begin.	1. Section 214 "Public Education" will be modified to reflect how the general public in the vicinity of the pipeline is informed on the existence of the pipeline and how to locate an underground pipeline before excavation activities begin. Public awareness notifications are sent out annually. 2. Add information to manual.	1-Mar-12	1. Josh Jarman 2. Brian Rankin
17	49 USC 60132(b) requires operators to annually update the National Pipeline Mapping System. The Manual does not indicate that Tidewater submits mapping updates annually or reports "no modifications have occurred".	1. Update manual in Section 800 with information about ESS tasking to meet this requirement. 2. Add 49 USC 60132(b) and corresponding manual section to cross reference matrix.	1-Mar-12	1. Brian Rankin
18	49 CFR 195.555 requires supervisors to maintain a thorough knowledge of each portion of the corrosion control procedures for which they are responsible. The Manual does not detail how Tidewater verifies that supervisors are maintaining appropriate knowledge of their area of responsibility for corrosion control procedures.	1. Section 400 "Corrosion Control" will be modified to reflect that on an annual basis supervisors' knowledge of corrosion control will be tested. Testing will occur in March as part of our annual lock closure training and annually thereafter. 2. Update manual to include information.	1-Mar-12	1. Josh Jarman 2. Brian Rankin
19	49 CFR 195.264(b)(1)(i)(ii) requires the operator to use a specific NFPA standard. The Manual references an incorrect or outdated NFPA standard. The correct standard is NFPA 30 Sec 4.3.2.3.2 and 30 Sec 4.3.2.3.1 for remote impoundments.	1. Update manual to reflect correct NFPA reference. 2. Review correct reference to ensure compliance.	1-Mar-12	1. Brian Rankin
20	49 CFR 195.307(d) Section 205.5 of the Manual indicates an incorrect reference to API Standard 653. The Manual indicates section 10.3 and the correct reference is 12.3.	1. Update manual to reflect correct API Standard reference. 2. Review correct reference to ensure compliance.	1-Mar-12	1. Brian Rankin
21	49 CFR 195.310(a) and (b) give specific requirements for pressure testing. The Manual does not cite specific Tidewater policy and/or procedure to comply with these regulations.	1. Section 585 "Hydrostatic Testing" will be modified to reference the procedure "Hydrostatic Test - D.O.T. Piping Systems" (TM-SRT-005). 2. Add policy/procedure references to O&M Manual.	1-Mar-12	1. Josh Jarman 2. Brian Rankin
22	49 CFR 195.405 requires specific procedures for protection against certain ignition sources. The Manual does not indicate how Tidewater complies with this regulation.	1. Determine current procedures in place to comply with requirements. 2. Write section for O&M Manual, Section 205, to reflect current procedures to comply with requirements. 3. Update manual.	1-Mar-12	1. Ron McClary 2. Ron McClary/Josh Jarman 3. Brian Rankin

23	49 CFR 195.428 applies if Tidewater significantly alters or repairs a regulated breakout tank. Tidewater needs to have a procedure in place to ensure regulation is met in the event a repair is necessary.	<ol style="list-style-type: none"> 1. Write procedure to ensure requirements of 49 CFR 195.428 are met in case of significant alteration or repair. 2. Insert reference to procedure into Section 205.8. 3. Add procedure to O&M Manual 4. Update cross-reference matrix to reflect change. 5. Write a procedure meeting Operator Qualification requirements. 	1-Mar-12	<ol style="list-style-type: none"> 1. Ron McClary 2. Ron McClary 3. Brian Rankin 4. Brian Rankin 5. Ron McClary
24	Tidewater's Manual references NACE RP0193-2001 not the API Standard 651. Additionally, the Manual does not reference a specific breakout tank cathodic protection survey procedure.	<ol style="list-style-type: none"> 1. Update reference to reflect API Standard 651 2. Write or reference current procedure in manual for breakout cathodic protection survey. 3. Verify NACE standards are current and that we are in compliance.. 	1-Mar-12	<ol style="list-style-type: none"> 1. Brian Rankin 2. Ron McClary/Brian Rankin 3. Ron McClary
25	Section 402.5(b) of the Manual states that interference currents will be checked for during routine Right-of-way inspections and during annual pipe-to-soil readings. However, TO-SRT-026 does not mention looking for possible interference issues as part of routine inspection. Also, TO-SRT-029 does not discuss an annual pipe-to-soil reading as part of the procedure, nor who performs it.	<ol style="list-style-type: none"> 1. Revise TO-SRT-026 and TO-SRT-029 to reflect requirements and responsibilities. 	1-Mar-12	<ol style="list-style-type: none"> 1. Ron McClary
26	WAC 480-75-620 requires operators to file a report to the UTC 45 days prior to pressure testing. This requirement is not identified in the Manual or the written Tidewater Hysrostatic Test-DOT Piping Systems procedure TM-SRT-005.	<ol style="list-style-type: none"> 1. Section 585 "Hydrostatic Testing" and the "Hydrostatic Test - D.O.T Piping Systems" (TM-SRT-005) Procedure will be updated to include the notification to UTC 45 days prior to pressure testing. 	1-Mar-12	<ol style="list-style-type: none"> 1. Brian Rankin/Josh Jarman
27	WAC 480-75-300 requires operators be able to detect a leak under flow or no flow conditions. The Manual does not specify whether the leak detection system can detect a leak under no flow conditions.	<ol style="list-style-type: none"> 1. Section 302 "System Surveillance" to be define procedure for no-flow detection. 2. Update manual to reflect capabilities. 3. Create task in ESS to ensure that no-flow leak detection is monitored. 	1-Mar-12	<ol style="list-style-type: none"> 1. Mark Davis 2. Brian Rankin
28	WAC 480-75-400 has objective material requirements for bedding and backfill to ensure damage to the pipeline will not occur. However, Tidewater does not specify a material for acceptable backfill which would ensure the requirements of this regulation are met.	<ol style="list-style-type: none"> 1. Determine backfill materials to ensure regulation requirements are met. 2. Specify acceptable material in O&M Manual, Section 603.5. 	1-Mar-12	<ol style="list-style-type: none"> 1. Ron McClary 2. Brian Rankin

29	WAC 480-75-660 has been revised. Please ensure the Manual is updated as necessary to conform to new regulations and any subsequent changes to Tidewater O&M policies and procedures.	<ol style="list-style-type: none"> 1. Determine changes made in revision to WAC 480-75-660. 2. After review of WAC 480-75-660, Tidewater believes that the requirements are met by Section 325 (c) "Emergency Shutdown Procedure" and Section 328 "Abnormal Operations". 3. Change cross reference to reflect 325(c) rather than 325(b). 	1-Mar-12	<ol style="list-style-type: none"> 1. Mark Davis 2. Mark Davis 3. Brian Rankin
The following finding is for information only. It addresses an upcoming change in the regulations, a change in the referenced standard or addresses an operational concern.				
1	There is a new NACE reference for this section. The Manual should be updated as necessary to concern to new referenced standard and subsequent changes to Tidewater O&M policies and procedures. (49 CFR 195.571 Cathodic protection required by this subpart must comply with one or more of the applicable criteria and other considerations for cathodic protection contained in paragraphs 6.2 and 6.3 of NACE SP 0169).	<ol style="list-style-type: none"> 1. Review requirements in new NACE reference. 2. Revise procedures to reflect changes. 3. Update manual accordingly. 	1-Mar-12	<ol style="list-style-type: none"> 1. Ron McClary 2. Ron McClary 3. Brian Rankin