

**Utilities and Transportation Commission
Standard Inspection Report for Intrastate Hazardous Liquid Systems
Records Review and Field Inspection**

S – Satisfactory U – Unsatisfactory N/A – Not Applicable N/C – Not Checked
If an item is marked U, N/A, or N/C, an explanation must be included in this report.

A completed **Inspection Checklist, Cover Letter and Field Report, and OQ Field Validation Form** are to be submitted to the Senior Engineer within **30 days** from completion of the inspection.

Inspection Report			
Docket Number	PL---100248		
Inspector Name & Submit Date	Joe Subsits and Dave Cullom 8/11/2010		
Senior Eng Name/Review/Date	Joe Subsits 8/11/2010		
Operator Information			
Name of Operator:	Chevron Pipeline Company	OPID #:	2731
Name of Unit(s):	Ferndale Storage Terminal		
Records Location:	Ferndale		
Date(s) of Last Review:	N/A-initial visit	Inspection Date	July 13-14, 2010

Inspection Summary:
The Ferndale Storage Terminal is located in Ferndale, WA. It serves primarily as a butane storage facility although there is some non-jurisdictional propane that is also transported by truck and rail from the facility. There are two butane storage tanks that were designed to API 620 R specifications. They have a combined total capacity of 790000 barrels and were constructed in 1977 and 1994. There is approximately 75-100 feet of low stress jurisdictional pipeline in above and underground sections.

HQ Address: Chevron Pipeline Company 4800 Fournace Place Bellaire, TX 77401-2324		System/Unit Address: Ferndale Storage Terminal 4100 Unick Rd Ferndale, WA 98248	
Co. Official:	Rebecca Roberts, President	Phone No.:	(360) 384-1701
Phone No.:	(713) 432-3535	Fax No.:	(360) 384-7044
Fax No.:		Emergency Phone No.:	(360) 384-1701
Emergency Phone No.:	(800) 762-3403		
Persons Interviewed	Title	Phone No.	
Gary Saenz	Team Leader Health, Environment & Safety - DOT Pipeline Safety	(713) 432-3332	
Steve Parker	Team Leader - Ferndale Terminal	(360) 384-7030	
Vic Evans	Operations Supervisor – Ferndale Terminal	(360) 384-7031	
Mick Watkins	Maintenance Coordinator	(360) 384-7035	

UTC staff conducted abbreviated procedures inspection on 195 O&M and WAC items that changed since the last inspection. This checklist focuses on Records and Field items per a routine standard inspection. (check one below and enter appropriate date)
Team inspection was performed (Within the past five years.) or, _____ Date: _____

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Other UTC Inspector reviewed the O & M Manual (Since the last yearly review of the manual by the operator.)	Date: 6/21/2010
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PART 199 DRUG and ALCOHOL TESTING REGULATIONS and PROCEDURES		
Subparts A - C	Drug & Alcohol Testing & Misuse Prevention Program – Use PHMSA Form #13, PHMSA 2008 Drug & Alcohol Program Check	7/14/2010

RECORDS REVIEW			S	U	NA	NC
CONVERSION TO SERVICE						
1.	195.5(a)(2)	All aboveground segments of the pipeline, and appropriately selected underground segments must be visually inspected for physical defects and operating conditions which reasonably could be expected to impair the strength or tightness of the pipeline.			X	
2.	195.5(c)	Pipeline Records (Life of System)			X	
3.		Pipeline Investigations			X	
4.		Pipeline Testing			X	
5.		Pipeline Repairs			X	
6.		Pipeline Replacements			X	
7.		Pipeline Alterations			X	
REPORTING						
8.	49 U.S.C. 60132, Subsection (b)	<p align="center">Submission of Data to the National Pipeline Mapping System Under the Pipeline Safety Improvement Act of 2002</p> <p>Updates to NMPS: Operators are required to make update submissions every 12 months if any system modifications have occurred. <u>If no modifications have occurred since the last complete submission (including operator contact information), send an email to opsgis@rspa.dot.gov stating that fact.</u> Include operator contact information with all updates.</p>		X		
9.	195.48/49	Annual Report (DOT form RSPA F7000-1.1(Beginning no later than June 15, 2005) (As of 1/05/2009, an operator of a rural low-stress hazardous liquid pipeline is not required to complete Parts J and K of the hazardous liquid annual report form (PHMSA F 7000-1.1) required by 195.49 or to provide the estimate of total miles that could affect high consequence areas in Part B of that form.)	X			
10.	195.52	Telephonic Reports to NRC (800-424-8802)			X	
11.	195.54(a)	Written Accident Reports (DOT Form 7000-1)			X	
12.	195.54 (b)	Supplemental Accident Reports (DOT Form 7000-1)			X	
13.	195.56	Safety Related Conditions			X	
14.	195.57	Offshore Pipeline Condition Reports			X	
15.	480-75-610	Report construction for new pipelines (>100 feet) new pipe 45 days prior to new construction			X	
16.	480-75-620	Was MOP changed based on hydrotest? Report submitted?			X	
17.	480-75-630(3)	24 hour notification for emergency shutdown, material defects or damage that impact service ability			X	
18.	195.59	Abandoned Underwater Facility Reports			X	
CONSTRUCTION						
19.	195.120	Passage of internal inspection devices. (See exceptions under .120(b) and (c))			X	
20.	195.204	Construction Inspector Training/Qualification			X	

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RECORDS REVIEW			S	U	NA	NC
21.	195.214(b)	Test Results to Qualify Welding Procedures			X	
22.	195.222	Welder Qualification			X	
23.	195.234(b)	Nondestructive Technician Qualification			X	
24.	195.589	Cathodic Protection			X	
25.	195.266	Construction Records			X	
26.	195.266(a)	Total Number of Girth Welds			X	
27.		Number of Welds Inspected by NDT			X	
28.		Number of Welds Rejected			X	
29.		Disposition of each Weld Rejected			X	
30.	195.266(b)	Amount, Location, Cover of each Size of Pipe Installed			X	
31.	195.266(c)	Location of each Crossing with another Pipeline			X	
32.	195.266(d)	Location of each buried Utility Crossing			X	
33.	195.266(e)	Location of Overhead Crossings			X	
34.	195.266(f)	Location of each Valve and Test Station			X	
PRESSURE TESTING						
35.	195.310	Pipeline Test Record	X			
36.	195.305(b)	Manufacturer Testing of Components	X			
37.	195.308	Records of Pre-tested Pipe			X	
OPERATION & MAINTENANCE						
38.	195.402(a)	Annual Review of O&M Manual (1 per yr/15 months)	X			
39.	195.402(c)(4)	Determination of Areas requiring immediate response for Failures or Malfunctions			X	
40.	195.402(c)(10)	Abandonment of Facilities			X	
41.	195.402(c)(12)	Establishment/Maintaining liaison with Fire, Police, and other Public Officials	X			
42.	195.402(c)(13)	Periodic review of personnel work – effectiveness of normal O&M procedures		X		
43.	195.402(d)(1)	Response to Abnormal Pipeline Operations			X	
44.	195.402(d)(5)	Periodic review of personnel work – effectiveness of abnormal operation procedures			X	
45.	195.402(e)(1)	Notices which require immediate response			X	
46.	195.402(e)(2)	Prompt and effective response to each type of emergency Note: Review operator records of previous accidents and failures including third-party damage and leak response			X	
47.	195.402(e)(7)	Notifications to Fire, Police, and other Public Officials of an Emergency			X	
48.	195.402(e)(9)	Post Accident Reviews			X	
49.	195.403(a)	Emergency Response Personnel Training Program	X			
50.	195.403(b)	Review of Personnel Perform., Emergency Response Program Changes (1 per yr/15 months)	X			
51.	195.403(c)	Verification of Supervisor Knowledge - Emergency Response Procedures	X			
52.	195.404(a)(1)	Maps or Records of Pipeline System	X			

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RECORDS REVIEW			S	U	NA	NC
53.	195.404(a)(2)	Maps/Records of Crossings of Roads, Railroads, Rivers, Utilities and Pipelines	X			
54.	195.404(a)(3)	MOP of each Pipeline	X			
55.	195.404(a)(4)	Pipeline Specifications	X			
56.	195.404(b)(1)	Pump Station Daily Discharge Pressure (maintain for at least 3yrs)	X			
57.	195.404(b)(2)	Abnormal Operations (§195.402) (maintain for at least 3yrs)			X	
58.	195.404(c)(1)	Pipe Repairs (maintain for useful pipe life)			X	
59.	195.404(c)(2)	Repairs to Parts of the System other than pipe (maintain for at least 1 yr)			X	
60.	195.404(c)(3)	Required inspection and test records (maintain 2 yrs or next test/inspection)	X			
61.	195.406(a)	Establishing the MOP	X			
62.	480-75-620	Was MOP changed based on hydrotest?			X	
63.	195.408(b)(2)	Filing and disposition of notices of abnormal or emergency conditions.			X	
64.	195.412(a)	Inspection of the ROW	X			
65.	195.412(b)	Inspection of Underwater Crossings of Navigable Waterways			X	
66.	480-75-640	Depth of cover survey			X	
67.	195.420(b)	Inspection of Mainline Valves		X		
68.	480-75-500	Pipe movement study per API 1117			X	
69.	195.428(a)	Insp. of Overpress. Safety Devices (1 per yr/15 months non-HVL; 2 per yr/7½ months HVL)		X		
70.	195.428(b)	Inspection of Relief Devices on HVL Tanks (intervals NTE 5 yrs).	X			
71.	195.428(d)	Inspection of Overfill Systems (1 per yr/15 months non-HVL; 2 per yr/7½ months HVL)	X			
72.	480-75-300 (3)	Leak detection and alarm records			X	
73.	480-75-320	Surge analysis done?			X	
74.	480-75-408	SCADA operating, maintenance, testing records			X	
75.	195.430	Inspection of Fire Fighting Equipment	X			
76.	195.432	Inspection of Breakout Tanks (1 per yr/15 months or per API 510 or 653).	X			

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RECORDS REVIEW			S	U	NA	NC	
77.	195.440 (e & f)	PUBLIC AWARENESS PROGRAM	X				
		Documentation properly and adequately reflects implementation of operator's Public Awareness Program requirements – Stakeholder Audience identification, message type and content, delivery method and frequency, supplemental enhancements, program evaluations, etc. (i.e. contact or mailing rosters, postage receipts, return receipts, audience contact documentation, etc. for emergency responder, public officials, school superintendents, program evaluations, etc). See table below.					
		Operators in existence on June 20, 2005, must have completed their written program no later than June 20, 2006					
		API RP 1162 Baseline* Recommended Message Delivery Frequencies					
		Stakeholder Audience (Hazardous Liquid Operators)					Baseline Message Frequency (Starting from Effective Date of Plan)
		Residence along right-of-way and Places of Congregation					2 Years
		Emergency Officials					Annual
		Public Officials					3 Years
		Excavator and Contractors					Annual
		One-Call Centers					As required of one-call center
		* Refer to API RP 1162 for additional requirements, including general program recommendations, supplemental requirements, record keeping, program evaluation, etc.					
78.	195.440(g)	The program conducted in English and any other languages commonly understood by a significant number of the population in the operator's area.	X				
DAMAGE PREVENTION PROGRAM							
79.	195.442(c)(1)	List of Current Excavators	X				
80.	195.442(c)(2)	Notification of Public/Excavators	X				
81.	195.442(c)(3)	Notifications of planned excavations. (One -Call Records)			X		
82.		PHMSA Area of Emphasis: Does the operator review records of accidents and failures due to excavation damage to ensure causes of failures are addressed to minimize the possibility of reoccurrence?			X		
83.	Damage Prevention (Operator Internal Performance Measures)						
84.		Does the operator have a quality assurance program in place for monitoring the locating and marking of facilities? Do operators conduct regular field audits of the performance of locators/contractors and take action when necessary? (CGA Best Practices v. 6.0, Best Practice 4-18. Recommended only, not required)			X		
85.		Does operator including performance measures in facility locating services contracts with corresponding and meaningful incentives and penalties?			X		
86.		Do locate contractors address performance problems for persons performing locating services through mechanisms such as re-training, process change, or changes in staffing levels?			X		
87.		Does the operator periodically review the Operator Qualification plan criteria and methods used to qualify personnel to perform locates?			X		
88.		Review operator locating and excavation <u>procedures</u> for compliance with state law and regulations.			X		
89.		Are locates are being made within the timeframes required by state law and regulations? Examine record sample.			X		
90.		Are locating and excavating personnel properly <u>qualified</u> in accordance with the operator's Operator Qualification plan and with federal and state requirements?			X		
CORROSION CONTROL							
91.	195.555	Supervisors maintain thorough knowledge of corrosion procedures.	X				
92.	195.589(c)/.567	Test Lead Maintenance, frequent enough intervals			X		
93.	480-75-510	Corrosion remediation within 90 days			X		
94.	195.589(c)/.569	Inspection of Exposed Buried Pipelines (External Corrosion)			X		

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95.	195.589(c)/.573(a)(1)	External Corrosion Control, Protected Pipelines Annual CP tests (1 per yr/15 months)		X		
96.	195.589(c)/.573(a)(2)	Close Interval surveys (meeting the circumstances determined by the operator)			X	
97.	195.589(c)/.573(b)	External Corrosion Control, Unprotected Pipeline Surveys, CP active corrosion areas (1 per 3 cal yr/39 months)			X	
98.	195.589(c)/.573(c)	Interference Bonds, reverse current switches, diodes, rectifiers		X		
99.	195.589(c)/.573(d)	External Corrosion Control - Bottom of Breakout Tanks			X	
100.	195.589(c)/.573(e)	Corrective actions as required by .401(b) and, if IMP pipeline, 195.452(h).		X		
101.	195.589(c)/.575	Electrical isolation inspection and testing		X		
102.	195.589(c)/.577	Testing for Interference Currents			X	
103.	195.589(c)/.579(a)	Corrosive effect investigation			X	
104.	195.589(c)/.579(b)	Examination of Coupons/Other Types of Internal Corrosion Monitoring Equipment (2 per yr/7½ months)			X	
105.	195.589(c)/.579(c)	Inspection of Removed Pipe for Internal Corrosion			X	
106.	195.589(c)/.583(a)	Atmos. Corr. Monitoring (1 per 3 cal yr/39 months onshore; 1 per yr/15 months offshore)	X			
107.	195.589(c)/.585(a)	General Corrosion – Reduce MOP or repair ; ASME B31G or RSTRENG	X			
108.	195.589(c)/.585(b)	Localized Corrosion Pitting – replace, repair, reduce MOP			X	
109.	195.589(a)&(b)	Cathodic Protection (Maps showing anode location, test stations, CP systems, protected pipelines, etc.)	X			

Documentation Reviewed:				
Document Title	Document Number	Revision Date	Date Range Reviewed	Pct of Data Reviewed
O&M Manual			2010	
Operator Qualification Records			2010	
Emergency Drill Records			2010	

Comments:
<p>1-7 No conversion of service pipe ion system 8. Submission needs to be made to NMPS 10-13, 17, 43-48, 57, 63 No telephonic reports, safety related conditions or abnormal operations 14, 18, 65 No water crossings 15-16, 19-34, 62 No new construction or MOP changes in system 37 No pre-tested pipe at facility 39 All incident handled the same due to facility size and orientation 40 No abandoned facilities in system 42 No documentation showing that review of personnel work to determine effectiveness of procedures has been done 58-59 No pipe repairs made 66 Right of way does not cross navigable waters 67 Valve maintenance records need to be maintained 68 No pipe movement projects performed 69 Overpressure safety devices need to be tested at the required interval of 2/year 72, 74 Most of the system is aboveground and can be seen visually, automated leak detection not required 73 Pump curves show pumps incapable of exceeding MOP, surge analysis not required 81-90 Damage prevention is not an issue since the entire facility is constantly monitored visually 92 Only small portion of pipe is underground, test leads are impractical 93 No pipe to soil readings collected</p>

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Comments:
94 No pipe exposures at facility
95 No pipe to soil readings collected for the limited sections of underground pipe
96 Close interval surveys impractical with limited amount of underground pipe
97 No bare unprotected pipe in system
98 Rectifiers need to be monitored every 2 months
99 Breakout tanks installed before October 2, 2000 so CP is not required
100. Need a process to determine if IMP is applicable.
101 Casing needs to be tested for isolation
102 No interference issues at site
103-105 No internal corrosion issues at site
108 No pitting found on pipe

FIELD REVIEW			S	U	N/A	N/C
110.	195.120	Passage of internal inspection devices. (See exceptions under (b) and (c))			X	
111.	195.262	Pumping Stations	X			
112.	195.262	Station Safety Devices	X			
113.	195.308	Pre-pressure Testing Pipe - Marking and Inventory			X	
114.	195.403	Supervisor Knowledge of Emergency Response Procedures	X			
115.	195.410	Right-of-Way Markers	X			
116.	480-75-540	Markers at exposed areas	X			
117.	195.412	ROW/Crossing Under Navigable Waters			X	
118.	195.420	Valve Maintenance	X			
119.	195.420	Valve Protection from Unauthorized Operation and Vandalism	X			
120.	195.426	Scraper and Sphere Facilities and Launchers			X	
121.	195.428	Pressure Limiting Devices	X			
122.	195.428	Relief Valves - Location - Pressure Settings - Maintenance	X			
123.	480-75-320	Relief Device set at or below MOP	X			
124.	195.428	Pressure Controllers	X			
125.	480-75-300	Leak Detection – 8% in 15 Minutes	X			
126.	480-75-300	Leak detection at flow and no flow conditions	X			
127.	195.430	Fire Fighting Equipment	X			
128.	195.432	Breakout Tanks	X			
129.	480-75-330	Do breakout tanks have independent overfill alarms?	X			
130.	195.434	Signs - Pumping Stations - Breakout Tanks	X			
131.	195.436	Security - Pumping Stations - Breakout Tanks	X			
132.	195.438	No Smoking Signs	X			
Operator Qualification Field Validation						

STANDARD INSPECTION REPORT OF A LIQUID PIPELINE CARRIER

Oil Pollution Act (49 CFR 194)

Field Verification of Facility Response Plan Information			Y	N	N/A
138.		Is there a copy of the approved Facility Response Plan present? [See Guidance OPA-1]	X		
139.	194.111	RSPA Tracking Number: 211 Approval Date: 5/10/10			
140.	194.107	Are the names and phone numbers on the notification list in the FRP current?[OPA-2]	X		
141.	194.107	Is there written proof of a contract with the primary oil spill removal organization (OSRO)? [OPA-3]			X
142.	194.107	Are there complete records of the operator's oil spill exercise program? [OPA-4]	X		
143.	194.117	Does the operator maintain records for spill response training (including HAZWOPER training)? [OPA-5]	X		

Comments (If any of the above is marked N or N/A, please indicate why, either in this box or in a referenced note):

141. This is an HVL pipeline and the product evaporates. No OSRO contract needed.

OPA Inspection Guidance

OPA-1 - RSPA Tracking Number: This is also known as the "sequence number." It is a four-digit number that PHMSA HQ assigns to each facility response plan (FRP). If the operator does not know their sequence number, they should look on their copy of the FRP for the sequence number. Also, PHMSA HQ always puts the sequence number in every plan-related letter to operators. If the operator is a new operator without a plan, the unit has a new owner, or the unit has new facilities not incorporated into the existing OPA-90 Plan, the answer is NO. Direct the operator to contact L.E. Herrick, 202-366-5523.

Copy of approved FRP: Every oil pipeline operator must have an FRP approved by PHMSA. The operator should be able to produce their PHMSA plan approval letter. When PHMSA HQ approves a plan, the approval is valid for five years from the date of the approval letter.

OPA-2 - Names and phone numbers: Operators are required to keep the notification lists in their FRP current. The inspector should examine the notification list in the FRP and spot-check the accuracy of the names and phone numbers when they interview the operator. It is critical to check the Qualified Individual (QI) and Alternate QI data.

OPA-3 - Proof of OSRO contract: Operators whose FRP's state that they are relying on clean-up contractors for spill response are required to have contracts with the oil spill removal organizations (OSRO's) that they cite in the FRP. The inspector should ask to see documentation that the operator has a contract in place with the primary OSRO listed in the FRP.

OPA-4 - Exercise documentation: Operators are required to conduct a variety of spill response exercises under Part 194, and make their exercise records available to PHMSA for inspection. Inspectors should check to see if the operator lists the date, time, location and names of exercise participants. If the inspector has doubts about whether the operator's exercise documentation is accurate, it should be noted on the inspection form so that PHMSA HQ can follow up with the operator. The documentation should include annual spill management team tabletop exercises, quarterly internal notification drills, and annual response equipment deployment drills? The drill does not necessarily need to include a pipeline spill scenario, but should test the operator's personnel, equipment, resources, and response strategies needed for responding to a comparable pipeline spill.

OPA-5 - Training records: Operators are required to train their personnel to carry out their individual roles under the FRP. The inspector should spot-check the files of key personnel listed in the FRP to ensure that they have been trained to carry out their duties in a response. Special attention should be given to documenting the safety training required under OSHA's Hazwoper standard (29 CFR 1910.120). Each person involved in a spill response is required under 194.117 to have training commensurate with their duties.

Recent PHMSA Advisory Bulletins (Last 2 years)

Leave this list with the operator.

<u>Number</u>	<u>Date</u>	<u>Subject</u>
ADB-07-01	April 27, 2007	Pipeline Safety: Senior Executive Signature and Certification of Integrity Management Program Performance Reports
ADB-08-05	June 25, 2008	Pipeline Safety: Notice to Hazardous Liquid Pipeline Operators of Request for Voluntary Adv Notification of Intent to Transport Biofuels

For more PHMSA Advisory Bulletins, go to <http://ops.dot.gov/regs/advise.htm>