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# T I D E W A T E R

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August 15, 2013

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

RECEIVED  
PROJECTS MANAGEMENT  
2013 AUG 19 PM 2:51  
STATE OF WA  
UTIL. AND TRAN.  
COMMISSION

**RE: Inspection Response Letter  
2013 Hazardous Liquid Pipeline Safety Inspection Tidewater Terminals Company –  
Snake River Terminal  
Tidewater Terminal Company  
671 Tank Farm Road  
Pasco, Washington 99301**

Dear Mr. Lykken,

The Washington Utilities and Transportation Commission (UTC) conducted a Hazardous Liquid Safety Inspection of the Snake River Terminal and associated pipelines from July 8 – 11, 2013. The inspection included a records review, operator qualification assessment and inspection of the pipeline and breakout tank facilities.

Probable violations and areas of concern identified during the review were described in an inspection report which was attached to UTC's letter dated July 17, 2013. UTC's letter requests Tidewater review the inspection report and respond in writing by August 19, 2013 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 July 14, 2014 completion date for all of the corrective actions. Please know that we have already initiated work related to completing many of the corrective actions,

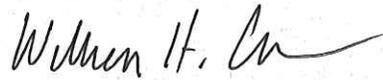
TIDEWATER TERMINAL COMPANY

P.O. Box 1210 • Vancouver, WA 98666-1210 • (360) 693-1491 • (503) 281-0081 • (800) 562-1607

and will also track each of the corrective actions through closure using our audit corrective action tracking system.

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,

A handwritten signature in black ink, appearing to read "William H. Collins", with a stylized flourish at the end.

William H. Collins  
Director, EHS&S

cc: Snake River Terminal Files

Regulation	Finding	Corrective Action	Responsible Person	Due Date
<p>49 CFR 195.302</p> <p>(a) – Except as otherwise provided in this section and in 195.305(b), no operator may operate a pipeline unless it has been pressure tested under this subpart without leakage. In addition, no operator may return to service a segment of pipeline that has been replaced, relocated, or otherwise changed until it has been pressure tested under this subpart without leakage.</p>	<p>Tidewater Terminal acquired several pipelines in 2012 from NuStar Energy. One of these pipelines, SRT to BNRR Diesel line – a 3.5 mile pipeline had approximately 6800 feet relocated for a new rail spur in 1995 (while under the ownership of Kaneb Pipeline). The record documentation indicating the pipeline was properly pressure tested could not be located by Tidewater. This pipeline has changed ownership several times in the past several years and it is likely these documents are lost. Anecdotal records indicate a hydro test for this relocation; however there is no definitive test record which supports the current MOP. All MOP certifying documents must be maintained for the life of the pipeline.</p>	<p>Third party will be contracted to perform a hydrotest on the SRT to BNRR pipeline. A report will be generated containing all information required by 49 CFR 195.310. The results of the test and all accompanying documentation will be provided to UTC for verification and be maintained at the Snake River Terminal for the life of the pipeline.</p>	<p>Ron McClary</p>	<p>12-Jul-14</p>
<p>49 CFR 195.307</p> <p>(a) – For aboveground breakout tanks built to API standard 650 and first placed in service after October 2, 2000; testing must be in accordance with Section 5.2 of API Standard 650.</p> <p>(b) – For aboveground atmospheric pressure breakout tanks constructed of carbon and low alloy steel, welded or riveted, and non-refrigerated and tanks built to API Standard 650 or its predecessor Standard 12C that are returned to service after October 2, 2000, the necessity for the hydrostatic testing of repair, alteration, and reconstruction is covered in section 10.3 of API Standard 653.</p>	<p>Tidewater added a new bottom to Tank 29 in 2003. API 653 states:</p> <p>12.3.1 When Hydrostatic Testing is required</p> <p>A full hydrostatic test, held for 24 hours, shall be performed on the following</p> <p>a. A reconstructed tank.</p> <p>b. Any tank that has undergone major repairs or major alterations (see 3.18) unless exempted by 12.3.2 for the applicable combination of materials, design, and construction features.</p> <p>Installing a new bottom to Tank 29 meets the “major repair/alteration” criteria and thus requires a full hydrotest. Full for this tank is 36 feet. Records indicate they only filled the tank to 32-9 feet during the hydrotest not the full mark. Tidewater needs to either:</p> <p>1. Re-hydro test this tank per API 653 to use the full capacity of the tank or</p> <p>2. Establish the full mark at 32-9’ per the hydrotest record.</p>	<p>Tank will be taken out service and cleaned the week of the 19th and API out-of-service inspection will be performed and any necessary repairs accomplished. Hydrotest will be performed at that point. Estimated completion date of hydrotest by 31 October. All required records will be generated and provided to UTC for verification. Records will be maintained at the Snake River Terminal.</p>	<p>Ron McClary</p>	<p>31-Oct-13</p>
<p>49 CFR 195.310</p> <p>(a) – A record must be made of each pressure test required by this subpart, and the record of the latest test must be retained as long as the facility tested is in use.</p> <p>(b) The record required by paragraph (a) of this section must include:</p> <ol style="list-style-type: none"> <li>1. The pressure recording charts;</li> <li>2. Test instrument calibration data;</li> <li>3. The name of the operator, the name of the person responsible for making the test, and the name of the test company used, if any;</li> <li>4. The date and time of the test;</li> <li>5. The minimum test pressure;</li> <li>6. The test medium;</li> <li>7. A description of the facility tested and the test apparatus;</li> <li>8. An explanation of any pressure discontinuities, including test failures, that appear on the pressure recording charts; and,</li> <li>9. Where elevation differences in the section under test exceed 100 feet (30 meters), a profile of the pipeline that shows the elevation and test sites over the entire length of the test section,</li> <li>10. Temperature of the test medium or pipe during the test period</li> </ol>	<p>Tidewater Terminal acquired several pipelines in 2012 from NuStar Energy. One of these pipelines, SRT to BNRR Diesel line – a 3.5 mile pipeline had approximately 6800 feet relocated for a new rail spur in 1995 (while under the ownership of Kaneb Pipeline). The record documentation indicating the pipeline was properly pressure tested could not be located by Tidewater. This pipeline has changed ownership several times in the past several years and it is likely these documents are lost. Anecdotal records indicate a hydro test for this relocation; however there is no definitive test record which supports the current MOP. All MOP certifying documents must be maintained for the life of the pipeline.</p> <p>Therefore, Tidewater must complete a new hydrotest of the SRT to BNRR Diesel line on or before, July 12, 2014 and submit the results to the UTC. All information required in 49 CFR 195.310 must be included.</p>	<p>Third party will be contracted to perform a hydrotest on the SRT to BNRR pipeline. A report will be generated containing all information required by 49 CFR 195.310. The results of the test and all accompanying documentation will be provided to UTC for verification and be maintained at the Snake River Terminal for the life of the pipeline.</p>	<p>Ron McClary</p>	<p>12-Jul-14</p>

<p>49 CFR 195.406</p> <p>a. Except for surge pressures and other variations from normal operations, no operator may operate a pipeline at a pressure that exceeds any of the following:</p> <ol style="list-style-type: none"> <li>1. The internal design pressure of the pipe determined in accordance with 195.106.</li> <li>2. The design pressure of any other component of the pipeline.</li> <li>3. Eighty percent of the test pressure for any part of the pipeline which has been pressure tested under Subpart E of this part.</li> <li>4. Eighty percent of the factory test pressure or the prototype test pressure for any individually installed component which is excepted from testing under 195.305.</li> <li>5. For pipelines under 195.302(b)(1) and (b)(2)(i), that have not been pressure tested under Subpart E of this part, 80 percent of the test pressure or highest operating pressure to which the pipeline was subjected for 4 or more continuous hours that can be demonstrated by recording charts or logs made at the time the test or operations were conducted.</li> </ol>	<p>Tidewater Terminal acquired several pipelines in 2012 from NuStar Energy. One of these pipelines, SRT to BNRR Diesel line – a 3.5 mile pipeline had approximately 6800 feet relocated for a new rail spur in 1995 (while under the ownership of Kanab Pipeline). The record documentation indicating the pipeline was properly pressure tested could not be located by Tidewater. This pipeline has changed ownership several times in the past several years and it is likely these documents are lost. Anecdotal records indicate a hydro test for this relocation; however there is no definitive test record which supports the current MOP. All MOP certifying documents must be maintained for the life of the pipeline.</p>	<p>Third party will be contracted to perform a hydrotest on the SRT to BNRR pipeline. A report will be generated containing all information required by 49 CFR 195.310. The results of the test and all accompanying documentation will be provided to UTC for verification and be maintained at the Snake River Terminal for the life of the pipeline.</p>	<p>Ron McClary</p>	<p>12-Jul-14</p>
<p><b>Areas of Concern</b></p>				
<p>49CFR 195.581</p> <p>(a) You must clean and coat each pipeline or portion of pipeline that is exposed to the atmosphere, except pipelines under paragraph (c) of this section.</p> <p>(b) Coating material must be suitable for the prevention of atmospheric corrosion.</p>	<p>The SRT to BNRR pipeline inside the tank farm at a location approximately adjacent to Tank 4 sits on a pipe stand (pipe is above ground inside tank farm). The pipe stand appears to have been constructed too close to the pipeline as it rubs on one side of the pipe scraping away the coating and actually "grooving" the pipe. This pipe stand needs to be repaired so it does not rub on the pipeline. The pipe coating also needs to be repaired.</p>	<p>Pipe will be recoated and dielectric material will be installed on pipe support to protect pipeline. Evidence of completion to be sent to UTC.</p>	<p>Ron McClary</p>	<p>31-Oct-13</p>