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September 14, 2012

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

RECEIVED
RECORDS MANAGEMENT
2012 SEP 18 AM 10:15
STATE OF WASH.
UTIL. AND TRANS.
COMMISSION

RE: 2012 NuStar Operations and Maintenance Manual Review – Snake River – Pasco/BN Pipeline System

Dear Mr. Lykken,

Thank you for the opportunity to respond to your correspondence dated August 14, 2012, which alleged one area of concern from your staff's inspection of our Operation and Maintenance (O&M) Manual on July 10-12, 2012. As you know, NuStar Pipeline Operating Partnership L.P. (NuStar) is dedicated to safety and being a good steward of the environment. Please find below our response to that area of concern. After considering the below, we respectfully request you withdraw this area of concern.

AREA OF CONCERN:

1. **49 CFR §195.402 Procedural manual for operations, maintenance, and emergencies.**
 - (c) *Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:*
 - (3) *Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart, (F), and subpart H of this part.*

49 CFR §195.444 CPM Leak Detection.

Each computational pipeline monitoring (CPM) leak detection system installed on a hazardous liquid pipeline transporting liquid in single phase (without gas in the liquid) must comply with API 1130 in operating, maintaining, testing, record keeping, and dispatcher training of the system.

Finding(s):

There was no language in NuStar's procedures that addressed the §195.444 requirement.

Response:

The nature of the WUTC inspection was to audit NuStar's O&M Manual with the resulting area of concern of not seeing language addressing API 1130 in a single section. The fact is that compliance with API 1130 is currently driven by several different programs within NuStar, mainly identified in our Control Room Remote Operations Manuals rather than the O&M.



While the regulation does not stipulate that compliance procedures be documented in a single manual, we recognize that it would probably be easier to demonstrate if we did cover API 1130 in a single section. Therefore, we are currently updating our Control Room Remote Operations Manuals according to API 1130 and 49 CFR§195.444. This update is expected to be completed by December 31, 2012. If it is decided to keep the single section within the Control Room Remote Operations Manual we will consider referencing this section within our O&M Manual.

After considering the above, we respectfully request you withdraw the area of concern. Please let us know if we can provide any additional information.

Sincerely,

A handwritten signature in black ink that reads "Gerald R. Koegeboehn".

Gary Koegeboehn
VP/GM Operations

cc: Dan Tibbits, Regional HSE Director