



STATE OF WASHINGTON  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION  
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**CERTIFIED MAIL**

July 17, 2013

Andy Stephens  
VP of Business Development and Terminals  
Tidewater Terminal Company  
P.O. Box 1210  
6305 NW Old Lower River Rd  
Vancouver, WA 98660

Dear Mr. Stephens:

**RE: 2013 Hazardous Liquid Pipeline Safety Inspection Tidewater Terminals Company-  
Snake River Terminal**

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

Our inspection found four 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 August 19, 2013. 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 Dennis Ritter at (360) 664-1159. Please refer to the subject matter described above in any future correspondence pertaining to this inspection.

Sincerely,



David D. Lykken  
Pipeline Safety Director

Enclosure

cc: Bill Collins, Director EHS&S  
Mark Davis, Operations Supervisor  
Brian Rankin, Quality and Compliance Manager  
Stephanie Syring, Environmental Manager

**WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**  
**2013 Hazardous Liquid Pipeline Safety Inspection**  
**Tidewater Terminals Company--Snake River Terminal**

The following probable violation(s) and areas of concern of Title 49 CFR Part 195 and WAC 480-75 were noted as a result of the 2013 inspection of the Tidewater Terminals Company--Snake River Terminal. The inspection included a random selection of records, operation and maintenance (O&M), emergency response, operator qualification, and field inspection of the pipeline facilities.

**PROBABLE VIOLATIONS**

**1. 49 CFR §195.302 General requirements**

- (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.*

**Finding(s):**

Tidewater Terminal (Tidewater) acquired several pipelines in 2012 from NuStar Energy. One of these pipelines, SRT to BNRR Diesel line--a 3.5 mile pipeline had approximately 6200 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 reference 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.

**2. 49 CFR §195.307 Pressure testing aboveground breakout tanks.**

- (c) *For aboveground breakout tanks built to API Standard 650 (incorporated by reference, see § 195.3 and first placed in service after October 2, 2000, testing must be in accordance with Section 5.2 of API Standard 650 (incorporated by reference, see § 195.3).*
- (d) *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.*

**Finding(s):**

Tidewater added a new bottom to Tank 29 in 2003. API 653 states:

**12.3.1 When Hydrostatic Testing is required**

A full hydrostatic test, held for 24 hours, shall be performed on the following.

- a) A reconstructed tank.

- 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

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 32-1 feet during hydrotest not the full mark. Tidewater needs to either: 1) re-hydro test this tank per API 653 to use the full capacity of the tank or 2) establish the full mark at 32-1’ per the hydrotest record.

3. **49 CFR §195.310 Records**

- (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.*
- (b) *The record required by paragraph (a) of this section must include:*
- (1) *The pressure recording charts;*
  - (2) *Test instrument calibration data;*
  - (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;*
  - (4) *The date and time of the test;*
  - (5) *The minimum test pressure;*
  - (6) *The test medium;*
  - (7) *A description of the facility tested and the test apparatus;*
  - (8) *An explanation of any pressure discontinuities, including test failures, that appear on the pressure recording charts; and,*
  - (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.*
  - (10) *Temperature of the test medium or pipe during the test period*

**Finding(s):**

Tidewater acquired several pipelines in 2012 from NuStar Energy. One of these pipelines, SRT to BNRR Diesel line--a 3.5 mile pipeline—had approximately 6200 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 reference 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.

Therefore, Tidewater must complete a new hydro test of the SRT to BNRR Diesel line on or before, July 12, 2014 and submit the results to the UTC. All of the information required in 49 CFR 195.310 must be included.

4. **49 CFR §195.406 Maximum operating pressure.**

- (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:*
- (1) *The internal design pressure of the pipe determined in accordance with §195.106.*
  - (2) *The design pressure of any other component of the pipeline.*
  - (3) ***Eighty percent of the test pressure for any part of the pipeline which has been pressure tested under Subpart E of this part.***
  - (4) *Eighty percent of the factory test pressure or of the prototype test pressure for any individually installed component which is excepted from testing under §195.305.*
  - (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.*

**Finding(s):**

Tidewater acquired several pipelines in 2012 from NuStar Energy. One of these pipelines, SRT to BNRR Diesel line--a 3.5 mile pipeline—had approximately 6200 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 reference 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.

**AREAS OF CONCERN OR FIELD OBSERVATIONS**

1. **49 CFR §195.581 Which pipelines must I protect against atmospheric corrosion and what coating material may I use?**

- (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.*
- (b) *Coating material must be suitable for the prevention of atmospheric corrosion.*

**Findings:**

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.