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September 21, 2018

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

RECEIVED
State of Washington
SEP 25 2018
UTC
Pipeline Safety Program

RE: Inspection Response Letter
2018 Hazardous Liquid Standard Inspection – Tidewater Terminal Company, Snake River Terminal (Insp. No. 7563)
2018 Hazardous Liquid Public Awareness Program Inspection – Tidewater Terminal Company (Insp. No. 7564)

Dear Mr. Mayo,

The Washington Utilities and Transportation Commission (UTC) conducted a Hazardous Liquid Standard Inspection and a Public Awareness Program Inspection of the Snake River Terminal and associated pipelines from July 30 through August 2, 2018. The inspection included a records review and inspection of the pipeline and breakout tank facilities.

Issues identified during the inspections were described in two UTC letters both dated August 27, 2018. UTC's letters request Tidewater review the inspection report and respond in writing by September 28, 2018 with a description of how and when Tidewater plans to bring facilities into full compliance.

Tidewater has completed its review of the inspection report and has developed a plan to address each of the issues. Proposed corrective actions and due dates for each are described in the included spreadsheet. Know that we have already initiated work related to completing most of the issues identified during the inspection, and will also track to completion each of the corrective actions using our audit corrective action tracking system.

Tidewater appreciates UTC's assistance relative to pipeline compliance. Please contact the undersigned at bill.collins@tidewater.com or 360-693-1491 if you have any questions concerning the attached spreadsheet or if you require additional information.

Sincerely,

A handwritten signature in black ink that reads 'William H. Collins'.

William H. Collins
Director, EHS&S

Cc: Snake River Terminal Files

Issue	Proposed Corrective Action	Due Date
<p>Staff reviewed operator's logs for 2018, 2017, 2016 and found several instances of abnormal operations. Tidewater's Systems Operations Manual (SOM) Section 5.0 identifies abnormal operations. If one of these situations occurs, operators are to call the on-call Tidewater Manager. There were two shutdowns and one loss of communication (which are defined in SOM) in logs with no indication a call to the manager was carried out. There was one log which noted the manager was called for a shutdown.</p> <p>Section 5.2.9 of the SOM also requires a check of "key locations" prior to restarting the system and that the on call manager must approve the restart prior to commencing. There are no records indicating this check was completed (i.e. checklist, note in the log book, etc.). The procedure does not specify whether the call should be noted in the operator's log. However, the only record indicating compliance with the procedure was the note in the log book. There were no records to show the restart procedure was followed.</p> <p>Additionally, it was noted during the review of the operator's logs that the log sheets were not completed with name, date and shift.</p> <p>Action: Tidewater needs to update its procedure to specify how operators are to respond to the abnormal condition and record the response. Also, Tidewater needs to state in its procedure and train their employees that operators need to complete the operator's log (name, date, and shift). Staff found most logs are not filled out with name and shift.</p>	<p>Tidewater's O&M Manual will be revised to specify how operators are to respond to abnormal operating conditions (AOCs) and that operators need to complete the operator's log with name, date, and shift. A checklist is being developed to document all AOCs, the operator's response, and the steps taken by the operator to return the pipeline to service.</p> <div data-bbox="1234 467 1457 652" style="text-align: center;"> <p>RECEIVED State of Washington SEP 25 2018 UTC Pipeline Safety Program</p> </div>	<p>12/31/2018</p>
<p>Tidewater's Systems Operations Manual Section 5.2.9 requires several systems to be checked prior to returning to normal operations after an abnormal shutdown. There was one log which notes a system check, but it is incomplete. The Systems Operations Manual Section 5.2.10 has language requiring Tidewater Management to review abnormal operations and make changes to process or responses as necessary. Tidewater could not find any records showing these reviews were completed even though abnormal operations occurred.</p> <p>Action: Tidewater must document post event reviews and any actions taken to ensure the effectiveness of the procedures.</p>	<p>A checklist is being developed to document all AOCs, the operator's response, and the steps taken by the operator to return the pipeline to service. Following an AOC event, Tidewater will perform a cross-functional review of the AOC and determine if any additional corrective actions are necessary.</p>	<p>12/31/2018</p>

Issue	Proposed Corrective Action	Due Date
<p>Tidewater's O&M Manual, Section 702(b) requires Tidewater Management to forward the "form" to EHS&S to keep them informed of all changes to maps, but there does not appear to be a "form". The electronic copy seems to be the record copy and although it is available to all employees, the most recent copies (hard copy and electronic) were in the Maintenance Manager's office.</p> <p>Action: Tidewater's process needs to be revised to assign responsibility for updating maps and define the official record copy to ensure the most recent information is available and reflected on maps.</p>	<p>The O&M Manual has been revised to assign the responsibility for updating maps and records to Tidewater Terminal Company management.</p>	<p>Completed on 9/11/2018</p>
<p>Staff reviewed operator's logs for 2018, 2017, 2016 and found several instances of abnormal operations. Tidewater's Systems Operations Manual (SOM) Section 5.0 identifies abnormal operations. If one of these situations occurs, operators are to call the on-call Tidewater Manager. There were two shutdowns and one loss of communication (which are defined in SOM) in logs with no indication a call to the manager was carried out. There was one log which noted the manager was called for a shutdown.</p> <p>Section 5.2.9 of the SOM also requires a check of "key locations" prior to restarting the system and that the on call manager must approve the restart prior to commencing. There are no records indicating this check was completed (i.e. checklist, note in the log book, etc.). The procedure does not specify whether the call should be noted in the operator's log. However, the only record indicating compliance with the procedure was the note in the log book. There were no records to show the restart procedure was followed.</p> <p>Additionally, it was noted during the review of the operator's logs that the log sheets were not completed with name, date and shift.</p> <p>Action: Tidewater must keep records of the actions taken by operators commensurate with the procedure.</p>	<p>Tidewater's O&M Manual will be revised to specify how operators are to respond to abnormal operating conditions (AOCs) and that operators need to complete the operator's log with name, date, and shift. A checklist is being developed to document all AOCs, the operator's response, and the steps taken by the operator to return the pipeline to service.</p>	<p>12/31/2018</p>

Issue	Proposed Corrective Action	Due Date
<p>Inspectors are not consistent on what constitutes corrosion, pitting, and coating failure. There were boxes on the monthly tank checklist marked 11N 11 for needs attention by one inspector and another inspector marked the same area for the same tank "P" for pass the next month. This was found consistently through the review. There appears to be a need for additional training on what constitutes "N" versus "P". Also, Tidewater may need to look at adding another line separating out coating failure from corrosion on the checklist as these are two separate but related areas of concern.</p>	<p>The Monthly Breakout Tank Inspection has been revised to separate out coating failure from corrosion. The O&M Manual has been revised to require that a maintenance request be submitted any time an inspection item is marked "Needs Attention." Tidewater's operators will be trained on the new form and inspection process.</p>	<p>9/30/2018</p>
<p>Many of the vents for the internal floating roof tanks (gasoline) have swallow nests in the vent openings. Some were almost completely blocked. This could be an issue in allowing the tank to vent properly during filling/discharge operations</p>	<p>The swallow nests located in the vent openings on the internal floating roof tanks have been cleaned out.</p>	<p>Completed on 8/8/2018</p>
<p>Tidewater uses a checklist, Tank Recommissioning Checklist, when they place a tank back into service after an internal inspection (or other out of service need). This is a good practice, but the checklist needs to be added to the appropriate procedure and the records tracked.</p>	<p>Tidewater's O&M Manual has been revised to require the use of the Tank Recommissioning Checklist by maintenance and operations personnel when placing a tank back into service.</p>	<p>Completed on 9/11/2018</p>
<p>In reviewing maintenance records for overfill protection or operations logs, there were problems noted by the operator or inspector (i.e. sight gauge tape failure, needs paint) during the inspection. However, the procedure does not describe how a problem found during inspection is handled (i.e. work order generated). A description of appropriate follow-up actions should be part of the applicable procedure.</p>	<p>Tidewater will revise the overfill protection section of the O&M manual to require a maintenance request be submitted any time a problem is discovered during the Monthly High Level Alarm Inspection.</p>	<p>12/31/2018</p>
<p>In reviewing Tidewater's MOP records, it was somewhat evident that all the records were not stored/available in one place. This could be an issue if current staff should leave the company. Tidewater should gather all MOP validating documents and put them in one place for the two pipeline systems. Tidewater also needs to clearly state in their System Operating Manual what criteria is used to establish MOP.</p>	<p>Tidewater will adjust its current document management process to ensure that all MOP validating documentation is easily accessible. Each System Operations Manual will be revised to state the criteria used to establish the MOP.</p>	<p>12/31/2018</p>
<p>Annual reads (US Tank Protectors Inc.) use instant offs when taking a pipe to soil read to account for IR drop. However, Tidewater doesn't have the ability to interrupt rectifiers.</p> <p>Tidewater borrowed interrupters from Tesoro to perform instant offs for this inspection as they usually perform "on-only" reads. Instant off reads (with a native/depole reading) allow for appropriate application of the CP monitoring criteria.</p>	<p>Tidewater will evaluate the monthly CP process with our 3rd party corrosion engineer.</p>	<p>12/31/2018</p>

Issue	Proposed Corrective Action	Due Date
<p>Tidewater does not have native/depole readings for the SRT Pasco Rail diesel line. During the inspection, reads below -850 mV off were noted. Tidewater's corrosion engineer noted that a partial depole occurred after a short on the SRT Pasco rail diesel line in 2016 allowed the line to partially depole. These partial depole reads allow the 100 mV shift to be used, however, Tidewater should conduct a depole study on SRT to BN diesel line to allow for appropriate application of the CP monitoring criteria.</p>	<p>Tidewater will conduct a depole survey before October 31, 2018.</p>	<p>10/31/2018</p>
<p>Tidewater does have a Public Awareness Plan (PAP) that follows the guidance of American Petroleum Institute's (AP/) Recommended Practice (RP) 1162. However, Tidewater's plan does not state what happens when required mailings to constituent groups are returned to sender. Tidewater does not know if they get returned mailings nor do they have a process to evaluate why the mailings didn't reach the intended customer. Tidewater should update their procedure to account for this condition.</p>	<p>Tidewater will revise the Public Awareness Program to include the process to address returned mailers and appropriate follow up actions.</p>	<p>12/31/2018</p>