



STATE OF WASHINGTON

UTILITIES AND TRANSPORTATION COMMISSION

1300 S. Evergreen Park Dr. S.W., P.O. Box 47250 • Olympia, Washington 98504-7250

(360) 664-1160 • TTY (360) 586-8203

**CERTIFIED MAIL**

December 5, 2016

Mr. Gerald Maret  
President  
BP Pipelines (North America), Inc.  
M.C. 9S  
30 S Wacker Drive  
Chicago, IL 60606

Dear Mr. Maret:

**RE: 2016 Hazardous Liquid Standard Inspection – Intrastate Laterals – (Insp. No. 6756)**

Staff from the Washington Utilities and Transportation Commission (staff) conducted a standard inspection from Nov. 14-17, 2016, of Olympic Pipeline Company's (OPL) intrastate laterals. The inspection included a records review and inspection of the pipeline facilities.

Our inspection indicates one probable violation as noted in the enclosed report.

**Your response needed**

Please review the attached report and respond in writing by Jan. 6, 2017. 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 81.04.405; or

- Issue a complaint under RCW 81.88.040, seeking monetary penalties, changes in the company's practices, or other relief authorized by law, and justified by the circumstances. Any pipeline company that violates any pipeline safety provision of any commission order, or any rule in this chapter including those rules adopted by reference, or chapter 81.88 RCW is subject to a civil penalty not to exceed two hundred thousand dollars for each violation for each day that the violation persists. The maximum civil penalty for a related series of violations is two million dollars; or
- Consider the matter resolved without further commission action.

We have not yet decided whether to pursue a penalty or complaint in this matter. Should the commission decide to assess a penalty or initiate a complaint, your company will have an opportunity to respond and formally present its position.

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,



Alan E. Rathbun  
Pipeline Safety Director

Enclosure

cc: Jim Bruen, DOT Team Leader-Programs, BP Pipelines (North America) Inc.

**UTILITIES AND TRANSPORTATION COMMISSION  
2016 Hazardous Liquid Pipeline Safety Inspection  
Olympic Pipeline Company, Intrastate Laterals**

The following probable violation of Title 49 CFR Part 195 was noted as a result of the 2016 inspection of the Olympic Pipeline’s (OPL) Intrastate Laterals. The inspection included a random selection of records, operation and maintenance (O&M), emergency response, inventory, and field inspection of the pipeline facilities.

**PROBABLE VIOLATIONS**

1. **§195.583 What must I do to monitor atmospheric corrosion control?**

*(a) You must inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion, as follows:*

<i>If the pipeline is located:</i>	<i>Then the frequency of inspection is:</i>
<i>Onshore</i>	<i>At least once every 3 calendar years, but with intervals not exceeding 39 months</i>
<i>Offshore</i>	<i>At least once each calendar year, but with intervals not exceeding 15 months</i>

*(b) During inspections you must give particular attention to pipe at soil-to-air interfaces, under thermal insulation, under disbonded coatings, at pipe supports, in splash zones, at deck penetrations, and in spans over water.*

*(c) If you find atmospheric corrosion during an inspection, you must provide protection against the corrosion as required by § 195.581.*

**Finding(s):**

During the 2016 field portion of the standard inspection, the above ground facilities at the Seattle Delivery Facility (DF) were inspected. Corrosion product (rust) was noted coming from under a non-adjustable pipe support. “Particular attention” cannot be given to the coating under the pipe support as the support cannot be moved to allow for evaluation. BP “must inspect...each portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion”. BP must evaluate the condition of the coating under pipe support and determine if the pipeline integrity is compromised. Further, BP needs to inspect its other non-adjustable pipe supports in their other Washington intrastate facilities (especially those near salt water) to ensure pipeline integrity is not compromised.