



STATE OF WASHINGTON
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION
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CERTIFIED MAIL

April 4, 2012

Mark Norris
Vice President for Consortium
SeaTac Fuel Facilities, LLC
42025 Aviation Dr.
Suite 350
Dulles, VA 20166

Dear Mr. Norris:

RE: 2012 Standard Hazardous Liquid Safety Inspection – SeaTac Fuel Facilities LLC

We conducted a safety inspection from March 19 to March 21, 2012 of *SeaTac Fuel Facilities LLC's* hazardous liquid pipeline facilities located at the SeaTac Terminal (Seattle, WA) and operated by Swissport Fueling, Inc. The inspection included a random selection of records, operation and maintenance, emergency response, field inspection of the pipeline facilities and observation of trained personnel performing qualified tasks.

Our inspection indicates six probable violations as noted in the enclosed report and four areas of concern, which unless corrected, could lead to future violations of state or federal pipeline safety rules.

Your response needed

Please review the attached report and respond in writing by May 7, 2012. 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.



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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
- 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.

Sincerely,



David D. Lykken
Pipeline Safety Director

cc: L. Dean Williams, General Manager, SeaTac Fuel Facilities
Nestor Soriano, QA/QC & Training Supervisor, Swissport Fueling

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION
2012 Standard Hazardous Liquid Inspection
SeaTac Fuel Facilities LLC--Operated by Swissport Fueling, Inc., Seattle WA

The following probable violations of Title 49, CFR Part 195 were noted as a result of the inspection of the SeaTac Fuel Facilities LLC SeaTac Terminal. The inspection included a random selection of records, operation and maintenance, emergency response, and field inspection of the pipeline facilities.

PROBABLE VIOLATIONS

1. **49 CFR §195.402 Procedural manual for operations, maintenance and emergencies.**
 - (a) *General. Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations 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:*
 - (2) *Gathering of data needed for reporting accidents under Subpart B of this part in a timely and effective manner.*
 - (3) *Operating, maintaining and repairing the pipeline in accordance with each of the requirements of this subpart and subpart H of this part.*

Finding(s):

A review of Swissport's Breakout Tank manual did not include procedures for the following:

- a. 49 U.S.C. 60132, Subsection ADB-08-07 require submission of hazardous liquid facility maps to the National Pipeline Mapping system and to make updates every 12 months if any system modifications have been made (or report no modifications if none have occurred since last submission). Swissport has not submitted its hazardous liquid mapping information to NPMS as required.
 - b. 49 CFR §195.52(c) requires each operator to have a written procedure to calculate the volume of product released during and accident (as defined in 195.50). This procedure needs to be added to the Breakout Tank 115 Manual (Manual) and/or the Local Procedures for Covered Tasks Manual (LPCT).
2. **49 CFR §195.402 Procedural manual for operations, maintenance and emergencies.**
 - (a) *General. Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations 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 (subpart F).*

49 CFR §195.310 Records (Pressure Testing).

- (a) *A record must be made of each pressure test required by this subpart, and the record of the last test must be retained for the as long as the facility 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;*
 - (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; and*
 - (10) *Temperature of the test medium or pipe during the test period.*

Finding(s):

Section XVIII of the Manual states a hydro test was completed on the “receiving” line on 5/15/03 by Olympic Pipe Line. The Manual further states that Swissport will “document and maintain” the test documents. The records could not be furnished during the inspection as Swissport did not obtain them from the previous operator (Olympic Pipe Line) when they took over operations in 2002. These records need to be acquired and available per the Manual.

3. **49 CFR §195.402 Procedural manual for operations, maintenance and emergencies.**

- (a) *General. Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations 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:*
 - (1) *Making construction records, maps, and operating history available as necessary for safe operation and maintenance.*

49 CFR §195.404 Maps and Records

- (a) *Each operator shall maintain current maps and records of its pipeline systems that include at least the following information:*
 - (4) *The diameter, grade, type, and nominal wall thickness of all pipe.*

Finding(s):

49 CFR §195.404 (part of subpart F) requires minimum information to be available for operations and maintenance procedures. The Manual Section XVIII does not have all the required information listed, specifically Pipe Type. Additionally, the records could not be furnished during the inspection as Swissport did not get them from the previous operator (Olympic Pipeline) when they took over operations in 2002. These records need to be acquired and maintained per the Manual.

4. **49 CFR §195.402 Procedural manual for operations, maintenance and emergencies.**

- (a) *General. Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations 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 (subpart F) and subpart H of this part.*

49 CFR §195.432 Inspection of in-service breakout tanks

- (a) *Except for breakout tanks inspected under paragraphs (b) and (c) of this section, each operator shall, at intervals not exceeding 15 months, but at least once each calendar year, inspect each in-service breakout tank.*
- (b) *Each operator must inspect the physical integrity of in-service atmospheric and low-pressure steel aboveground breakout tanks according to API Standard 653 (incorporated by reference, see §195.3). However, if structural conditions prevent access to the tank bottom, the bottom integrity may be assessed according to a plan included in the operations and maintenance manual under §195.402(c)(3).*

Finding(s):

Tank 115 (and the entire facility) is located down in a large hollow. Runoff from tank in some areas accumulates near the base. It appears the Port of Seattle attempted to minimize water flow under tank base by installing raised curbing in these areas. It does not appear to work as a moist environment (green mold/algae on gravel around tank) was visible both outward from the curb as well as behind it. This ponding could lead to corrosion under the tank bottom. This condition needs to be rectified or the operator needs to document in the Manual why this condition will not affect the integrity of the tank.

5. **49 CFR §195.573 What Must I do to monitor external corrosion control?**

- (d) *Breakout tanks. You must inspect each cathodic protection system used to control corrosion on the bottom of an aboveground breakout tank to ensure that operation and maintenance of the system are in accordance with API Recommended Practice 651. However, this inspection is not required if you note in the corrosion control procedures established under Sec. 195.402(c)(3) why*

compliance with all or certain operation and maintenance provisions of API Recommended Practice 651 is not necessary for the safety of the tank.

Finding(s):

During the field inspection, a qualified representative from Swissport took a CP reading on Cell 1 of the Tank 115 rectifier. The reading was -0.692 which is less than the minimum voltage necessary for cathodically protecting the tank bottom of -0.85. Swissport must correct this problem.

6. **49 CFR §195.405 Protection against ignitions and safe access/egress involving floating roofs.**

- (a) *After October 2, 2000, protection provided against ignitions arising out of static electricity, lighting and stray currents during operation and maintenance activities involving aboveground breakout tanks must be in accordance with **API Recommended Practice 2003**, unless the operator notes in the procedural manual (§195.402(c)) why compliance is not necessary for the safety of a particular breakout tank.*
- (b) *The hazards associated with access/egress onto floating roofs of in-service aboveground breakout tanks to perform inspection, service, maintenance or repair activities (other than specified general considerations, specified routine tasks or entering tanks removed from service for cleaning) are addressed in API Publication 2026. After October 2, 2000, the operator must review and consider the potentially hazardous conditions, safety practices and procedures in API Publication 2026 for inclusion in the procedure manual (§195.402(c))*

Finding(s):

49 CFR §195.405 requires specific procedures for protection against certain ignition sources as well as safe access/egress to the floating roof. The Manual does not indicate whether this section applies to Tank 115 or how Swissport complies with this regulation.

AREAS OF CONCERN

1. **49 CFR 195.2. Definitions.**

Breakout tank means a tank used to (a) relieve surges in a hazardous liquid pipeline system or (b) receive and store hazardous liquid transported by a pipeline for reinjection and continued transportation by pipeline.

Finding(s):

The piping schematic supplied by Swissport showing both regulated and non-regulated pipeline facilities appears to indicate that Swissport has the ability to pump product back into Olympic's line from Tank 115 (which is the only tank currently regulated) and also from Tank 114 using System 3 and 4 pumps; and from Tanks 108 and 109 using System 1 and 2 pumps. **This situation needs to be clarified and/or confirmed. If it is confirmed, then Tanks 108, 109 and 114 would meet the definition of a breakout tank and would need to be added as regulated pipeline facilities.**

2. **49 CFR §195.402 Procedural manual for operations, maintenance and emergencies.**
- (a) *General. Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations 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 (subpart F) and subpart H of this part.*

49 CFR 195.422 Pipeline repairs.

- (a) *Each operator shall, in repairing its pipeline systems, insure that the repairs are made in a safe manner and are made so as to prevent damage to persons or property.*
- (b) *No operator may use any pipe, valve, or fitting, for replacement in repairing pipeline facilities, unless it is designed and constructed as required by this part.*

Finding(s):

Section XVIII of the Manual gives the design formula and pipe characteristics for calculating the hoop stress of the pipeline. However, Swissport does not have the construction records showing actual pipeline material specifications used for the pipelines they operate. The records could not be furnished during the inspection as they did not obtain them from the previous operator (Olympic Pipe Line) when they took over operations in 2002. These pipeline facilities were constructed pre-code in 1970 (code became effective 10/21/1985 for intrastate pipelines). However, these records should be available and maintained by the operator, Swissport, as they are critical for any future repairs. These construction/repair records are to be retained for the life of the facility.

3. **49 CFR §195.428 Overpressure safety devices and overfill protection systems.**
- (c) *...Other aboveground breakout tanks with 600 gallons or more of storage capacity that are constructed or significantly altered after October 2000, must have an overfill protection system installed according to API Recommended Practice 2350.*

Finding(s):

49 CFR §195.428 applies if Tank 115 is significantly altered or repaired. Swissport should have a procedure in place to ensure the regulation is met in the event a repair is necessary.

4. **49 CFR §195.402 Procedural manual for operations, maintenance and emergencies.**
- (a) *General. Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations 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 (subpart F) and subpart H of this part.*

Finding(s):

During the safety inspection it became apparent that clear, concise diagrams showing the following information would be very helpful for regulatory, routine and emergency operations:

- a. An elevation drawing of Tank 115 showing tank fill levels (as defined by operations), as well as all alarms, capacity elevation and vent (overflow) elevation and be included in O&M Manual.
- b. An overall system map showing all regulated facilities relative to Olympic's Facilities should be included in O&M Manual.