



STATE OF WASHINGTON  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

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(360) 664-1160 • TTY (360) 586-8203

**CERTIFIED MAIL**

June 20, 2013

Randy Curry  
President  
4800 Fournace Place  
Bellaire, TX 77401-2324

Dear Mr. Curry:

**RE: 2013 Hazardous Liquid Standard Inspection – Chevron Pipe Line Company  
– Ferndale Storage Terminal**

Staff from the Washington Utilities and Transportation Commission (staff) conducted a standard inspection from May 7-9, 2013 of Chevron Pipe Line Company's Ferndale Terminal. The inspection included a review of terminal records and inspection of selected pipeline facilities.

Our inspection indicates five 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 July 15, 2013. The response should include how and when you plan to bring the probable violations into full compliance. We also request your response to our areas of concern.

**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
- 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.



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If you have any questions, or if we may be of any assistance, please contact Dave Cullom at (360) 664-1141. 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: Dolores Barnhill, Sr. Vice President,  
Dave Pratt, Operations Manager,  
Gary Saenz, Team Leader DOT,

**WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**  
**2013 Hazardous Liquid Pipeline Safety Inspection**  
**Chevron Pipe Line Company – Ferndale Storage Terminal**

The following probable violations and area of concern of Title 49 CFR Part 195 were noted as a result of the 2013 inspection of the Chevron Pipe Line Company – Ferndale Storage Terminal. The inspection included a random selection of records, operation and maintenance, emergency response, damage prevention and field inspection of the pipeline facilities.

**PROBABLE VIOLATIONS**

**1. 49 CFR §195.214 Welding Procedures**

*(b) Each welding procedure must be recorded in detail, including the results of the qualifying tests. This record must be retained and followed whenever the procedure is used.*

**Finding(s):**

The Procedure Qualification Records (PQR) and Welding Procedure Specification (WPS) records were not available at the time of inspection for the revisions made to the pipeline system in 11/2012.

**2. 49 CFR §195.222 Welders: Qualification of welders.**

*(b) No welder may weld with a welding process unless, within the preceding 6 calendar months, the welder has--*

- (1) Engaged in welding with that process; and*
- (2) Had one welded tested and found acceptable under section 9 of API 1104 (incorporated by reference, see § 195.3).*

**Finding(s):**

Coly Rush, Kyla Jensen, and Matt Williams were qualified to ASME BPVC Section IX at the end of Jan 2013 per the operator's OQ database, but the welding occurred in November 2012. No records were provided or available demonstrating that a welder had used that specific process within 6 months of being qualified or had one welded tested and found acceptable under section 9 of API 1104.

**3. 49 CFR §195.304 Test Pressure.**

*The test pressure for each pressure test conducted under this subpart must be maintained throughout the part of the system being tested for at least 4 continuous hours at a pressure equal to 125 percent, or more, of the maximum operating pressure and, in the case of a pipeline that is not visually inspected for leakage during test, for at least an additional 4 continuous hours at a pressure equal to 110 percent, or more, of the maximum operating pressure.*

**Finding(s):**

The test pressure was only maintained for 38 minutes for the piping service, P66 MOV, tested on 11/21/12 from 0900 to 0938.

4. **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;*

**Finding(s):**

No pressure charts were available or provided documenting the hydrostatic test at the time of this inspection.

5. **49 CFR §195.428 Overpressure safety devices and overflow protection systems.**  
(a) *Except as provided in paragraph (b) of this section, each operator shall, at intervals not exceeding 15 months, but at least once each calendar year, or in the case of pipelines used to carry highly volatile liquids, at intervals not to exceed 7½ months, but at least twice each calendar year, inspect and test each pressure limiting device, relief valve, pressure regulator, or other item of pressure control equipment to determine that it is functioning properly, is in good mechanical condition, and is adequate from the standpoint of capacity and reliability of operation for the service in which it is used.*

**Finding(s):**

Records were reviewed for the thermal PSVs to T-1 and T-2. There were seventeen devices and the records provided did not indicate that they were all tested at the required intervals back to 2010. Only two reliefs were looked at in 2011. None were tested in 2012 or for 2013 to date.

**AREAS OF CONCERN OR FIELD OBSERVATIONS**

1. **49 CFR §195.432 Inspection of in-service breakout tanks.**  
(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):**

Records from the 2010 and the 2013 inspections indicate that T-2 is also due for the 20 year reassessment in 2014. Our records indicate the last out of service inspections for both tanks was in 1994. It is understood that T-1 will have an out of service inspection performed in 2014, but it is unknown if T-2 will also have its 20 year inspection in 2014.