



U.S. Department
of Transportation

Pipeline and Hazardous Materials
Safety Administration

12300 W. Dakota Ave., Suite 110
Lakewood, CO 80228

LETTER OF CONCERN

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

October 10, 2014

Mr. Todd Denton
President
Phillips 66 Pipeline LLC
3010 Briarpark Drive
PWC-7109
Houston, TX 77042

RECEIVED

OCT 14 2014

State of Washington
UTC
Pipeline Safety Program

CPF 5-2014-5014C

Dear Mr. Denton:

From March 2013 through November 2013, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) and the Washington Utilities and Transportation Commission (WUTC), pursuant to Chapter 601 of 49 United States Code, inspected your Yellowstone Pipeline system from Billings, Montana to Spokane, Washington.

As a result of the inspection, the following items were identified as a concern:

1. During the review of service inspection reports for the Breakout Tanks, it was noted that there were certain discrepancies in how the Forms were completed by your inspectors. Phillips 66 needs to clearly document that deficiencies identified during tank inspections have been addressed.
2. During the review of pipeline repair inspection reports, it was noted that the inspection reports were annotated as "unknown" pipe manufacturer. However, the pipe grade was listed as X-52 in the reports. Furthermore, Phillips 66 personnel were unable to provide any supporting documentation indicating how the pipe was determined to be X-52.

3. During the field inspection of your facilities, it was noted that the line markers were not marked visibly in Coeur d'Alene and Helena areas where the line runs through fenced backyards. Since the time of inspection, Phillips 66 has installed line markers in Helena and Coeur d'Alene.

We hope you will consider these areas of concern as an opportunity to improve your existing pipeline safety program. If we can answer any questions or be of any help, please call us at (720) 963-3160.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 5-2014-5014C** and for each document you submit please provide a copy in electronic format to PHP-WRADMIN@DOT.GOV. Be advised that all material you submit in response to this letter is subject to being made publicly available. If you believe that any portion of your responsive material qualifies for confidential treatment under 5 U.S.C. 552(b), along with the complete original document you must provide a second copy of the document with the portions you believe qualify for confidential treatment redacted and an explanation of why you believe the redacted information qualifies for confidential treatment under 5 U.S.C. 552(b).

Sincerely,



Chris Hoidal
Director, Western
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry
PHP-500 M. Petronis (#144046)
WUTC