

December 17, 2014

Mr. David D. Lykken
Pipeline Safety Director
Utilities and Transportation Commission
P.O. Box 427250
Olympia Washington, 98504-7250

Mr. Lykken:

RE: 2014 Hazardous Liquid Pipeline Integrity Management Inspection – Targa Sound Terminal LLC,
(Insp. No. 5827)

We received your letter dated November 12, 2014 requesting a response to nine Areas of Concern identified by your staff during the above referenced inspection.

Enclosed is Targa's response detailing our plans to review and revise the IMP program processes and procedures.

Sincerely,



Vincent Di Cosimo
Sr. VP Petroleum Logistics

Enclosure

cc: Troy Goodman
Tim Huffer
Matthew J. Kolata

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REGULATORY MANAGEMENT
2014 DEC 18 PM 12:37
STATE OF WASH.
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COMMISSION

Targa Sound Terminal LLC – Tacoma WA
2014 Hazardous Liquid Pipeline Integrity Management Inspection
Inspection No. 5827
Response to Areas of Concern

1. IA Procedure Question #9 for Repair Criteria – Pressure Reduction

Finding(s):

Targa's procedure (IMP-Section 4.1) does not specify a reduction of normal operating pressure when an immediate repair condition is discovered.

Response:

Targa's procedure in Section 4.1 specifies a reduction of operating pressure when an immediate repair condition is discovered. To clarify and update the requirements for pressure reduction, the following revision shall be included in Section 4.1.

When an immediate repair condition is discovered, the normal operating pressure will be temporarily reduced according to O&M procedures or the pipeline will be shutdown until the condition is repaired. The pressure reduction shall be calculated using the methods referenced in section 451.6.2.2(b) of ANSI/ASME B31.4-2006 if that method is applicable and the information needed is available. If that method cannot be used, the operating pressure will be reduced to 20% below the operating pressure at the time of the discovery.

2. 1A Procedure Question #4 for P&M Measures Risk Analysis Application

Findings(s)

Targa's procedure (Section 6.1) did not include a process for reducing the likelihood of consequences of pipeline releases specifically for ground fault currents. The Port of Tacoma has industrial power cables buried below ground and on poles along the pipeline right-of-way. Also the procedure should address the threat a lahar flow from Mt. Rainer.

Response

Targa will include in the IMP the two referenced risk factors as potential risks to the integrity of its pipeline. Targa will evaluate the requirement for additional P&M measures to reduce the likelihood of a pipeline release occurring due to potential for ground fault circuit and a lahar flow from Mt. Rainer.

3. IA Record Question #5 for P&M Measures Risk Analysis Application

Finding(s)

Targa's records did not include an evaluation of the effects of potential actions to reduce the likelihood and consequences of pipeline releases. Specifically, records should include an analysis of electrical ground fault from AC current and natural disasters such as lahar from Mt. Rainer.

Response

Targa will document and maintain records of the analysis of the likelihood and consequence of a pipeline release due to ground fault circuit and a lahar event from Mt. Rainer.

4. IA Procedure Question #13 for HCA Air Dispersion Analysis

Finding(s)

Targa's procedure (Section 1.3.6) did not include an air dispersion analysis for commodities transported and release scenarios.

Response

Targa will include in its integrity plan procedures for identifying segments that could affect an HCA a requirement for an air dispersion model for volatile products being transported.

5. IA Record Question #14 for HCA Air Dispersion Analysis

Finding(s)

Targa has not developed records of air analysis for dispersion of vapors.

Response

Question #14 references 194.452(f) (1) which requires a process for identifying which pipeline segments could affect a high consequence area. Since the entire length of Targa's pipeline is contained within a High Populated Area, the entire length of the pipeline is one segment identified as being able to affect the HCA upon loss of integrity. An air analysis for dispersion of gasoline vapors has been completed and the record of the analysis will be maintained.

6. IA Procedure Question #6 for Preventative and Mitigative Measures – Decision Basis

Finding(s)

Targa's procedure does not include information about a systematic decision-making process involving input from operations, maintenance, engineering, corrosion control and other sources of information for risk analysis and for decision about which preventative and mitigate actions to implement.

Response

Targa will include in the IMP a process for a formal periodic review of the Risk Analysis which shall include participation and input from the following personnel

- Pipeline Supervisor
- Engineering and technical support personnel
- Management responsible for overall pipeline operations
- Maintenance personnel including contract personnel who perform routine maintenance and inspections such as surveys and tests of the CP system
- Company pipeline compliance personnel

The stated purpose and goal of this review shall be to identify new risks or changes to previously identified risks and determine if additional P&M measures are required to mitigate new or changed risks. The formal review shall also be included as part of the continual process of evaluation and assessment.

7. IA Record Question #7 for Preventative and Mitigative Measures – Decision Basis

Finding(s)

Targa's records did not include information about a systematic decision-making process involving input from operations, maintenance, and engineering, corrosion-control that considers the results of risk analysis along with other information in making decisions about which preventative and mitigate actions to implement.

Response

Targa will maintain records associated with the response and actions to address Finding #6.

8. IA Record Question #6 for Risk Analysis – Input Information

Finding(s)

Targa's records include data, but the data has not been formatted for any type of analysis. For example, monthly CP and rectifier data is available and not formatted to identify trends in current demand, changes in pipe-to-soil readings at foreign line crossings, and changes in rectifier output voltage and current.

Response

The records of the tests and inspections of the CP system have been recorded in a spreadsheet format to allow for analysis of the changes and trends in those tests and inspections results.

9. IA Observations Question #7 for Risk Analysis – Input Information

Finding(s)

The field conditions observed along the pipeline right-of-way is accurately reflected in Targa's risk assessment information except for ground fault current from AC power and lahar flow from Mt. Rainer.

Response

Targa will include the risk to the integrity of the pipeline for ground fault current from AC power and lahar flow from Mt Rainer in the risk assessment input information.