



STATE OF WASHINGTON

UTILITIES AND TRANSPORTATION COMMISSION

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**CERTIFIED MAIL**

October 31, 2014

Daniel H. Yoder  
President  
McChord Pipeline Company  
3001 Marshall Avenue  
Tacoma, WA 98421

Dear Mr. Yoder:

**RE: 2014 Hazardous Liquid Pipeline Integrity Management Inspection – McChord Pipeline Company – (Insp. No. 5828)**

Staff from the Washington Utilities and Transportation Commission (staff) conducted a hazardous liquid inspection from June 9 - 12, 2014, at the McChord Pipeline Company located at the U.S. Oil & Refining Company in Tacoma.

The inspection included 127 questions from the Pipeline and Hazardous Materials Safety Administration (PHMSA) Inspection Assistance (IA) modules for Assessment and Repair, Integrity Management, and Reporting. The McChord Pipeline operates a pipeline between Tacoma Tideflats and the Joint Base Lewis McChord military facilities.

Our inspection found no probable violations and five areas of concern, which unless corrected, could potentially lead to future violation of state and/or federal pipeline safety rules. Each item is referenced to the inspection form with brackets { } around the IA question number, module and section titles.

Staff would like to thank McChord Pipeline's personnel for their assistance and cooperation during this inspection.

Respect. Professionalism. Integrity. Accountability.

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If you have any questions or if we may be of any assistance, please contact Al Jones at (360) 664-1321. 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: Nicholas Peelo, Chief Engineer, McChord Pipeline

**UTILITIES AND TRANSPORTATION COMMISSION**  
**2014 Hazardous Liquid Pipeline Integrity Management Inspection**  
**McChord Pipeline Company**

The following areas of concerns of Title 49 CFR Part 195 were noted as a result of the 2014 integrity management inspection at the McChord Pipeline Company's office located at U.S. Oil & Refining Company in Tacoma, Washington.

**AREAS OF CONCERN**

1. **49 CFR §195.452 Pipeline Integrity Management in High Consequence Area**  
{IA Record Question #6 for Continual Evaluation & Assessment}

- (j) *What is a continual process of evaluation and assessment to maintain a pipeline's integrity?*
- (5) *Assessment methods. An operator must assess the integrity of the line pipe by any of the following methods. The methods an operator selects to assess low frequency electric resistance welded pipe or lap welded pipe susceptible to longitudinal seam failure must be capable of assessing seam integrity and of detecting corrosion and deformation anomalies.*

**Finding(s):**

McChord pipeline may be susceptible to SCC and the company's records are not comprehensive for evaluating the exposed pipeline for the threat of SCC. McChord has not determined if SCC is a threat. If the threat of SCC is determined, the proper assessment must be used.

2. **49 CFR §195.452 Pipeline Integrity Management in High Consequence Area**  
{IA Procedure Question #9 for IMP High Consequence Areas Overland Spread of Liquid Pool}

- (f) *What are the elements of an integrity management program? An integrity management program begins with the initial framework. An operator must continually change the program to reflect operating experience, conclusions drawn from results of the integrity assessments, and other maintenance and surveillance data, and evaluation of consequences of a failure on the high consequence area. An operator must include, at minimum, each of the following elements in its written integrity management program:*
- (1) *A process for identifying which pipeline segments could affect a high consequence area;*

**Finding(s):**

McChord's procedure for overland flow of liquid is contained in Appendix - A for commodity spread and its effects on HCAs. Manholes for waste water locations need to be identified and mapped in proximity to the pipeline.

3. **49 CFR §195.452 Pipeline Integrity Management in High Consequence Area**  
{IA Record Question #2 for Preventive & Mitigative Measures – P&M Measures  
Actions Considered}

- (i) *What preventive and mitigative measures must an operator take to protect the high consequence area?*
- (2) *Risk analysis criteria. In identifying the need for additional preventive and mitigative measures, an operator must evaluate the likelihood of a pipeline release occurring and how a release could affect the high consequence area. This determination must consider all relevant risk factors, ...*

**Finding(s):**

McChord Pipeline's records do not provide documentation for mitigation of AC current from ground faults. Company has not surveyed pipeline for ground fault threats. Company does add inhibitors to refined product to mitigate internal corrosion, provides increased line patrols along ROW, provides all line locate marks from 811 calls, and conducts close interval surveys every fifth year.

4. **49 CFR §195.452 Pipeline Integrity Management in High Consequence Area**  
{IA Record Question #4 for Risk Analysis – SCC Risk}

- (g) *What is an information analysis? In periodically evaluating the integrity of each pipeline segment (paragraph (j) of this section), an operator must analyze all available information about the integrity of the entire pipeline and the consequences of a failure.*

**Finding(s):**

McChord Pipeline's records for five anomaly evaluations did not verify for SCC outside the dent area. Visual inspection was made around the exposed pipe with coating removed, but not checked for SCC beyond the dent area. If SCC is determined to be a threat, McChord will need to incorporate SCC into its risk assessment.

5. **49 CFR §195.452 Pipeline Integrity Management in High Consequence Area**  
{IA Record Question #11 for Risk Analysis – Risk analysis Facilities}

- (l) *What records must be kept?*
  - (1) *An operator must maintain for review during an inspection:*
    - (ii) *Documents to support the decisions and analyses, including any modifications, justifications, variances, deviations and determinations made, and actions taken, to implement and evaluate each element of the integrity management program listed in paragraph (f) of this section.*

**Finding(s):**

McChord Pipeline's records are not comprehensive in evaluating if AC ground fault current and SCC are threats that need to be incorporated into McChord's risk assessment.