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U.S. Department
of Transportation

Pipeline and Hazardous Materials
Safety Administration

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

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WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

March 27, 2015

Mr. Donald Porter
President
Olympic Pipe Line Company
BP Pipeline NA
150 W. Warrenville Rd.
Naperville, IL 60563

CPF 5-2015-5009W

Dear Mr. Porter:

Between August 11, 2014 and August 29, 2014, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) and Washington Utilities and Transportation Commission (WUTC), pursuant to Chapter 601 of 49 United States Code, inspected your Olympic Pipe Line (OPL) system in the States of Oregon and Washington.

As a result of the inspection, it appears that you have committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violations are:

1. §195.573 What must I do to monitor external corrosion control?

(a) Protected pipelines. You must do the following to determine whether cathodic protection required by this subpart complies with Sec. 195.571:
(1) Conduct tests on the protected pipeline at least once each calendar year, but with intervals not exceeding 15 months. However, if tests at those intervals are impractical for separately protected short sections of bare or ineffectively coated pipelines, testing may be done at least once every 3 calendar years, but with intervals not exceeding 39 months.

Olvmpic Pipe Line Co (OPL) did not comply with §195.573(a)(1) in 2012 and 2013. Prior to our inspection, OPL personnel met with WUTC representatives to disclose that their annual pipe-to-soil potential tests conducted between 2012 and 2013 exceeded the maximum testing interval of 15 months. Our review of OPL's test records for annual pipe-to-soil potential readings, which determine adequacy of cathodic protection (CP), confirmed that the CP inspections exceeded the maximum inspection frequency a total of 121 times between 2012 and 2013.

Specifically, the number of late test readings are as follows:

- 78 late annual pipe-to-soil readings in 2013 for the North Unit of Washington State (Cherry Pt. to Renton Station), and
- 20 late annual pipe-to-soil readings in 2012, and 23 late annual pipe-to-soil readings in 2013 for the South Unit of Washington State (Renton Station to WA/OR State Boundary).

2. **§195.573 What must I do to monitor external corrosion control?**

   (c) Rectifiers and other devices. You must electrically check for proper performance each device in the first column at the frequency stated in the second column.

Device	Check frequency
Rectifier..... **Reverse current switch.** **Diode.** **Interference bond whose failure would jeopardize structural protection (critical bond).**	**At least six times each calendar year, but with intervals not exceeding 2 ½ months**
Other interference bond.....	**At least once each calendar year, but with intervals not exceeding 15 months.**

OPL did not comply with Part 195.573(c) which requires checking the rectifier and critical bond devices for proper performance. OPL personnel met with WUTC representatives to disclose their rectifier and critical bond checks exceeded the time monitoring intervals required by Part 195.573(c). Our review of records confirmed there was a total of six (6) rectifier or bond checks that exceeded the maximum time monitoring intervals for inspection. The late readings are as follows:

- Three (3) late rectifier readings and two (2) late critical bond readings in 2013 for the OPL North Unit of Washington State, and
- One (1) late critical bond readings in 2013 for the OPL South Unit of Washington State

3. **§195.589 What corrosion control information do I have to maintain?**

(c) You must maintain a record of each analysis, check, demonstration, examination, inspection, investigation, review, survey, and test required by this subpart in sufficient detail to demonstrate the adequacy of corrosion control measures or that corrosion requiring control measures does not exist. You must retain these records for at least 5 years, except that records related to Secs. 195.569, 195.573(a) and (b), and 195.579(b)(3) and (c) must be retained for as long as the pipeline remains in service.

OPL failed to fully follow their corrosion control procedures, OPL Procedure P195.551.2.2 states, "*Any AC interference on pipeline 15 Volts AC or greater will be investigated and remediated as necessary.*" Furthermore, investigation records were not produced during the inspection to show implementation of your corrosion control procedures. It was noted that OPL did not maintain records for investigating potential AC interference. The number of AC readings that exceeded 15 Volts AC is as follows:

- Four (4) in 2011 and ten (10) in 2013 for the North Unit of Washington State, and Eight (8) in 2011 and six (6) in 2013 for the South Unit of Washington State (primarily in King County).

4. **§195.583 What must I do to monitor atmospheric corrosion control?**

(a) You must inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion, as follows:

If the pipeline is located:	**Then the frequency of inspection is:**
Onshore.....	**At least once every 3 calendar years, but with intervals not exceeding 39 months.**
Offshore.....	**At least once each calendar year, but with intervals not exceeding 15 months.**

OPL did not comply with Part 195.583(a) for inspecting each pipeline or portion of pipeline for evidence of atmospheric corrosion. During the field inspection, it was noted that metal jacketed insulation on prover pipe at several of the pump stations prevented actual inspection of the pipeline for atmospheric corrosion. Pipelines with removable insulation jackets or non-removable jackets with inspection ports must be inspected at least once every 3 years (not to exceed 15 months) for evidence of atmospheric corrosion.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed $200,000 per violation per day the violation persists up to a maximum of $2,000,000 for a related series of violations. For violations occurring prior to January 4, 2012, the maximum penalty may not exceed $100,000 per violation per day, with a maximum penalty not to exceed $1,000,000 for a related series of violations. We have reviewed the circumstances and supporting documents involved in this case, and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to correct the items identified in this letter. Failure to do so will result in Olympic Pipe Line Co being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 5-2015-5009W.** Be advised that all material you submit in response to this enforcement action 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 Region
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry
PHP-500 C. Allen and WUTC

Item 1 through 4 – Activity #147690 and #147691