



January 13, 2016

Mr. Alan E. Rathbun
Pipeline Safety Director
Utilities and Transportation Commission
1300 S. Evergreen Park Drive S.W.
Olympia, WA 98504

RECEIVED

JAN 13 2016

State of Washington
UTC
Pipeline Safety Program

RE: Targa Sound Terminal LLC
2015 Hazardous Liquid Standard Inspection
Inspection No. 6207
Notice of Violation Response

Dear Mr. Rathbun:

Targa Sound Terminal LLC (Targa) received your letter dated December 10, 2015, regarding a Hazardous Liquid Standard Inspection that was conducted by the UTC on November 4, 2015. This letter is intended to provide the response required by your letter in regards to a listed finding from the November inspection. Targa's response to the findings stated in your December 10, 2015 letter is as follows:

1. **UTC Observation:** 49 CFR 195.428 Overpressure safety devices and overfill protection systems – Targa personnel were unable to produce a record indicating that the overfill protection system for Targa's breakout tank was tested in 2014.

Targa Response:

Targa personnel were unable to produce the requested records during the inspection, but Targa believes it is compliance with Section 195.428(c).

Section 195.428(c) requires tanks such as the one at issue to have an overfill protection system installed according to API RP 2350. Section 1.2.2 of API RP 2350 references NFPA Standard 30-2003, which requires in Chapter 4.6.1.1 that:

Above ground tanks at terminals receiving transfers of class 1 liquids from mainline pipelines or marine vessels shall follow formal written procedures to prevent overfilling of tanks utilizing one of the following methods of protection:

1. Tanks gauged at frequent intervals by personnel continuously on the premises during product receipt with frequent acknowledged communication maintained with the supplier so that flow can be promptly shut down or diverted.
2. Tanks equipped with a high-level detection device that is independent of any tank gauging equipment. Alarms shall be located where personnel who are on duty throughout product transfers can promptly arrange for flow stoppage or diversion.
3. Tanks equipped with an independent high-level detection system that will automatically shut down or divert flow.
4. Alternatives to instrumentation described in 4.6.1.1(2) and 4.6.1.1(3), where approved by the authority having jurisdiction as affording equivalent protection.

While the tank in question includes an independent overfill protection system, Targa personnel gauge breakout tanks at frequent intervals and maintain contact with suppliers so that flow can be promptly shutdown or diverted. Attached with this letter is an example of the standard product movement report that is used with each pipeline receipt. It demonstrates how gauging is done at the start and finish of every movement involving the breakout tank. Additionally a copy of the procedure checklist is provided as well.

Please also note that Targa's operating processes ensure continued compliance with the requirements of Section 195.428. These processes include manual inspections at regular intervals and the use of a compliance tracking software system that generates work orders.

Between Targa's demonstration of compliance for 2015, the modifications to our operating procedures and the standard practice of performing routine gauging on the breakout tank before and after all transfers Targa is

confident that this issue has been addressed satisfactorily. Targa requests that no further action be needed to rectify this issue.

Targa believes that this issue has been satisfactorily addressed, but please feel free to contact me if you have any questions.

Sincerely,



Matthew Kolata
Environmental Specialist
253-579-1947
mkolata@targaresources.com

Attachments: Routine Pipeline Setup Checklist; Product Movement Report - Tank 205

Product Movement Report

COPY Rev 2 June'13

Date: 1-15-14

Tank # 205	Product: Transmix					
(transfer from)	(opening) AUTO?			(closing) AUTO?		
	ft	in	16th	ft	in	16th
Tank Gauge	10	10	14	11	01	08
Gross Barrels show 2 decimal pts.	(*) 1933.66 ✓			(*) 1973.21 ✓		
	ft	in	16th	ft	in	16th
Water Gauge	0	0	0	0	0	0
Water Barrels	(-) 0			(-) 0		
Product Gross	(*) 1933.66 ✓			(*) 1973.21 ✓		
Roof Correction 38, 30	(**) -0.96 ✓			(**) -0.90 ✓		
Gross Bbls-Water Bbls +/- Roof Correction = CORRECTED GROSS.						
CORRECTED GROSS	(*) 1932.70 ✓			(*) 1972.31 ✓		
	gravity	temp	gravity	temp	gravity	temp
Grav/Temp	41.2	45.2	41.0	44.9		
Coefficient (Fuels 6B) (Asphalt Temps)	(*) 1.00728 ✓			(*) 1.00741 ✓		
Corrected Gross x Coefficient = NET Bbls						
Net Gauge Bbls	(*) 1946.77 ✓			(*) 1986.92 ✓		
Net Total	40.15 ✓			(1,686 gal)		

Tank #	Product:					
(transfer to)	(opening) AUTO?			(closing) AUTO?		
	ft	in	16th	ft	in	16th
Tank Gauge						
Gross Barrels show 2 decimal pts.	(*)			(*)		
	ft	in	16th	ft	in	16th
Water Gauge						
Water Barrels	(-)			(-)		
Product Gross	(*)			(*)		
Roof Correction	(**)			(**)		
Gross Bbls-Water Bbls +/- Roof Correction = CORRECTED GROSS.						
CORRECTED GROSS	(*)			(*)		
	gravity	temp	gravity	temp	gravity	temp
Grav/Temp						
Coefficient (Fuels 6B) (Asphalt Temps)	(*)			(*)		
Corrected Gross x Coefficient = NET Bbls						
Net Gauge Bbls	(*)			(*)		
Net Total						

Line Pushout	Customer Name	Batch Number (or) # of Railcars	Net Barrels (per OPL)(RR BOL)
	Flying Switch from USD to Rev 1		(OPL 1520) (RR-Blo 105)
1st Ticket			
2nd Ticket	Chevron 3,000 16% 270	A3C-D85F-CV-4093#T4	
3rd Ticket	Targa 6,000 32% 539	A3C-D85F-BP-4094#T4	
4th Ticket	Targa 9,972 52% 877	A2K-D85F-TS-4089#T4	
5th Ticket	18,972 100% 1686		
Product Left In Line	5/5 Flying Switch to Rev 1		(OPL 1520) (RR-Blo 105)

Are Tanks Static

Bore Transfer to Terminal

Truck Rack Totals	Yes	No	Yes	No	Line Flush Completed Tk#
	If "No" Explain-		Yes	No	Line Piggd
OPENING GAUGE BY ALW T205	Auto	10-10-11/16	open		Asphalt Line
TIME: 1430	E	11-14/16	close		FO Line
CLOSING GAUGE BY EB					Bakken Line
TIME: 2300					Ethanol Line
Was Outside Gauger Used					Bio-Ds/Line In-Line Last
Yes	NO				Soy Bio
Who?					Canola Bio
					Bio-Line Flush Completed
					Checked Rail Product and Last in Line



Use this checklist to verify all steps have been completed prior to confirming Clear Path with OPL. Initial each item when completed.

DATE/TIME _____

NAME: _____

- At least 2 hours prior to expected receipt, contact Renton Control Center using OPL communication device (Oly in contacts). Verify product start time and volume, reference Targa (T4) for terminal identification.
- Verify current product in Targa pipeline - DSL Reg Prem (circle). If different from planned receipt, line push will be required. Clear Path will be opened to line push tank (if needed).
- Check operations instruction for designated tank(s) planned for receipt, line push or Transmix.
- Hand gauge and temp tank(s) to verify available space for receipt, line push, or Transmix. Record information on transfer log.
- **Select and review the laminated instruction sheet (Normal Operations Liquid Pipeline Manual Line Push Valve Sequence) for the appropriate product receipt sequence.**
- Open manual valves from tank(s) to OPL manifold, (first MOV #600 Series). If Transmix tank is expected to be used during product switches open at this time.
- From the Targa Control Room, the Pipeline Overview monitor will be used to activate MOVs and complete the final Clear Path to OPL, monitor the system during receipt and close the system down after receipt.
- In upper right corner Pipeline Status box, click on "is tank valve open", check Yes in dialog box if all manual valves needed downstream of manifold are open and ready for planned receipt. Next verify open hand valve position for selected pump (#101 & #102=Pump #1000)(#103 & #104=Pump #2000)
- Starting from the terminal working towards OPL, open proper MOVs to establish System Clear Path for product currently in Targa pipeline. Click on MOV to open dialog box to change position of valve.
- Select proper manifold MOV to open for product in pipeline, MOV #610 (Prem), #620 (Reg), #630 (Dsl), #640 (Transmix), then verify remaining MOVs #108, #107, #106 and #105 and #100 are open to complete the System Clear Path. Valves #101, #102, #103 and #104 are manually operated based on pump line up. Verify open valves for pump selected.

	Normal Operations Liquid Pipeline Manual Routine Pipeline Set Up Checklist	Issued/Revised 1/24/13 - 8/05/14
		Page 2 of 2

- The Pipeline Status box should now show a System Clear Path and Olympic Clear Path with all green indicators ready for receipt.
- Left side of the Pipeline Overview monitor is the Olympic Data box. This contains a barrel totalizer and a Hazard/No Hazard signal relating to tank level alarms. If Hazard signal is activated verify tank level alarms are not tripped on receiving tanks and communicate this to OPL.
- Contact Renton Control to confirm the Clear Path signal and verify space available for receipt, start time, line push (if required), expected rates, planned switches if more than one tank will be used for receipt. If Hazard signal is tripped give OPL details of tank involved confirming it is not planned for receipt.
- Once confirmed with OPL, go out into tank farm and verify the lineup and all valve positions before the receipt starts. The operator should now keep the OPL **communication device** with them until receipt is completed.
- Operator should be in the control room about 15 minutes before receipt is expected awaiting call from OPL for receipt start.
- At startup if OPL opens to quickly at a high flow rate they have the potential to exceed our Hi-High pressure alarm of 250psi. When the Hi-High pressure alarm is triggered our system will automatically shut off the booster pump (if running) and close MOVs #100 & #108. If this happens OPL will be calling and it is REQUIRED that an operator physically inspects the booster station for any signs of damage or leaks before the pipeline can be restarted. See abnormal operating instructions for more details.
- Notification of this event must be reported to the Pipeline or Operations Supervisor during the shift and recorded in the OPL receipt log. Supervisor will make notification to the WaUTC within 24 hrs as required and complete required reviews and reports.
- After start and flow has stabilized, walk line to verify no leaks in system. Continue line checks hourly until receipt is completed.

Name of operator at time of completion: _____ **Date:** _____

- After OPL shuts down flow they will contact us on the communication device, confirm the delivery is complete and get a barrel count from them for product delivered.
- Hand activate the closure of MOV #100, #108 and the manifold valve. MOVs #105, #106 and #107 should remain open for pressure relief.
- Go out to farm and hand close all required valves downstream of manifold.
- Change status of "is tank valve open" to No as final step of system closure.