



U.S. Pipelines and Logistics

BP Pipelines (North America) Inc.
30 S. Wacker Drive, 9th Floor
Chicago, Illinois 60606

January 6, 2017

Alan E. Rathbun
Pipeline Safety Director
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive S.W.
Olympia, WA 98504-7250

RECEIVED
RECORDS MANAGEMENT
2017 JAN - 9 AM 9:17
STATE OF WASH
UTIL. AND TRANS
COMMISSION

RE: 2016 Hazardous Liquid Standard Inspection - Intrastate Laterals - (Insp. No. 6756)

Dear Mr. Rathbun,

This letter is in response to the Washington Utilities and Transportation Commission noted probable violation report dated December 5, 2016, and received by BP Pipelines (North America) Inc. (BP) on December 13, 2016.

A hazardous liquid standard inspection was conducted from November 14-17, 2016 of Olympic Pipe Line Company's intrastate laterals. The inspection included a records review and inspection of the pipeline facilities.

For ease of response, the probable violation and WUTC's finding is restated below in italics and followed by BP's response.

Probable Violation

1. §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:

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

(b) During inspections you must give particular attention to pipe at soil to air interfaces, under thermal insulation, under disbonded coatings, at pipe supports, in splash zones, at deck penetrations, and in spans over water.

(c) If you find atmospheric corrosion during an inspection, you must provide protection against the corrosion as required by §195.581.

Findings(s):

During the 2016 field portion of the standard inspection, the above ground facilities at the Seattle Delivery Facility (DF) were inspected. Corrosion product (rust) was noted coming from under a non-adjustable pipe support. "Particular attention" cannot be given to the coating under the pipe support as the pipe support cannot be moved to allow for evaluation. BP "must inspect...each portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion". BP must evaluate the condition of the coating under pipe support and determine if the pipeline integrity is compromised. Further, BP needs to inspect its other non-adjustable pipe supports in their other Washington intrastate facilities (especially those near salt water) to ensure pipeline integrity is not compromised.

BP Response:

BP respectfully disagrees with the probable violation audit finding because inspection and follow-up activities were already in progress as part of its routine inspection and maintenance program. Specifically, an atmospheric corrosion monitoring (ACM) inspection had been conducted on October 31, 2016 according to BP procedures (and per regulatory requirements) approximately 2 weeks prior to the WUTC audit, and this ACM inspection was performed within the required timeframe (at least every 3 calendar years, but with intervals not exceeding 39 months), satisfying the requirement to inspect per §195.583(a).

Further, BP noted the surface oxide staining on the face of this pipe support (oxidation staining only and no evidence of any metal loss or pitting on either the pipe support or supported pipe) in this ACM inspection. Based on the results of the inspection, a plan was developed on December 5, 2016, to initiate additional inspection and remediation activities, as needed, in 2017. The area of concern was identified by giving particular attention to pipe at pipe supports per §195.583(b), satisfying this requirement. The light surface oxide staining was interpreted as an indicator to initiate follow-up activities to confirm there is no threat to pipe integrity. So, BP was performing its ongoing ACM inspection and maintenance activities and follow-up actions have been scheduled this year. If atmospheric corrosion is found, then appropriate protection will be provided to assure ongoing pipeline integrity in accordance with §195.583(c) and §195.581.

The timing expectation as indicated by this audit finding precludes BP's normal work process and implies that there is little opportunity to identify and perform follow-up inspections or remedial activities. Further, this finding implies that all pipe supports must be adjustable in order to perform routine ACM inspections which is not an expectation defined in 49 CFR Part 195 Subpart C (Design), Subpart D (Construction), or in Subpart H (Corrosion Control) in section §195.583, since the stated requirement is to give particular

WUTC NOPV Response
January 6, 2017

attention to pipe at pipe supports and other areas prone to developing atmospheric corrosion.

Additionally, due to the approximate 4" axial length along the pipe (4" width of the pipe support and wear pad beneath the pipe), there is no indication that atmospheric corrosion could exist to the extent that would jeopardize pipeline integrity. Nonetheless, BP flagged this area of concern and is following established protocol to confirm the determination that there is no threat to pipeline integrity.

In summary, BP believes that it is performing ACM inspections in accordance with its procedures and regulatory requirements at the Seattle DF as well as at other locations that have non-adjustable pipe supports while conducting this ongoing inspection program.

BP looks forward to working cooperatively with WUTC Staff to resolve these matters. Please contact me at 331-702-4292 if you wish to discuss any of this information further.

Sincerely,



David O. Barnes, P. E.
DOT Compliance Manager
BP Pipelines (North America) Inc.

cc: Gerald Maret