LETTER OF CONCERN

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

April 6, 1999

Mr. Frank Hopf
Equilon Pipeline Company LLC
Olympic Pipeline Company
Vice President/Manager
2319 Lind Avenue S.W.
Renton, WA 98057

CPF. No.59503C

Dear Mr. Hopf:

On March 15-19, 1999, a representative of the Western Region, Office of Pipeline Safety (OPS), pursuant to United States Code of Federal Regulations (CFR), 49 Chapter 601, conducted an onsite pipeline safety inspection of Olympic Pipeline Company's (OPL) manuals, records and facilities in the Renton, Washington area.

The facilities and records reviewed during this inspection revealed areas on your pipeline system that are cause for concern.

1. **§195.402 Sec. 195.402 Procedural manual for operations, maintenance, and emergencies. (a) General. Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to insure that the manual is effective. This manual shall be prepared before initial operations of a pipeline system commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.**

OPL has recently adopted Texaco's operations and maintenance manuals that were reviewed within the last couple of years by a team of OPS inspectors. These manuals were accepted in their entirety as being in compliance with 49 CFR Part 195. Also, in discussions with OPL personnel, it was discovered that OPL will more than likely adopt the Equilon manuals as soon as they are combined from the Texaco and Shell manuals. OPL has an ongoing plan to incorporate their site specific plans and procedures into these newly adopted manuals. Eventually, OPL will complete this manual transformation. Until that time, care must be taken to ensure compliance with current procedures contained within the applicable manuals by operations and maintenance personnel.

2. **§195.412(a) Each operator shall, at intervals not exceeding 3 weeks, but at least 26 times each calendar year, inspect the surface conditions on or adjacent to each pipeline right-of-way. Methods of inspection include walking, driving, flying or other appropriate means of traversing the right-of-way.**

At the time of the inspection, areas of the pipeline right-of-way (ROW) were in need of clearing to make it conducive for aerial patrols. OPL is not required to perform aerial patrols, however, if OPL is going to continue aerial patrols in lieu of a more close to the ground inspection of their (ROW), the entire ROW must be sufficiently cleared to allow observations by the pilot.

3. **§195.416(i) External corrosion control: Each operator shall clean, coat with material suitable for the prevention of atmospheric corrosion, and, maintain this protection for, each component in its pipeline system that is exposed to the atmosphere.**

At the time of the inspection, it was discovered that a valve vault near MP 3 was full of water. The flange bolts on the valve showed significant atmospheric corrosion. The OPS is concerned that, left unattended, this situation could cause an unsafe condition on the OPL system. OPL needs to survey each component and portion of pipe in its pipeline system that is exposed to the atmosphere to determine if there are other areas for concern. This survey should pay particular attention to the soil/air interface on a pipe that comes out of the ground and all pipe supports where there is metal to metal contact of the pipe to the support. All areas where atmospheric corrosion is identified need to be remediated.

4. **§195.424(a) No operator may move any line pipe, unless the pressure in the line section involved is reduced to not more than 50 percent of the maximum operating pressure.**

At the time of the inspection, it was discovered that OPL personnel do not routinely take into account the pressure in the pipeline when moving the line to install link seals in the end of a casing to clear a short. It is stipulated that some of the areas in question are just upstream of a pump station where the pressure in the line is well below the maximum operating pressure, however, other areas may not have normally reduced pressure. Maintenance personnel must work with operating personnel, whenever pipe movement is required, to ensure the pressure in the pipe is reduced to a maximum of 50% of the maximum operating pressure per the requirements of §195.424(a).

We hope you will consider and address these areas of concern to further improve your present level of safety. If we can answer any question, or be of any help, please call me at 303-231-5701.

Sincerely,

Chris Hoidal
Director