

WARNING LETTER

CERTIFIED MAIL- RETURN RECEIPT REQUESTED

OCTOBER 21, 1998

Mr. Jeet S. Bindra
President
Chevron Pipe Line Corporation
4000 Executive Parkway
Suite 400, Bishop Ranch 8
San Ramon, CA 94583

Dear Mr. Bindra:

CPF NO. 58528

On August 24, 25, and 26, 1998, a representative of the Western Region, Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code, conducted an onsite pipeline safety inspection of the Chevron Pipe Line Corporation's (Chevron) Willbridge jet fuel pipeline facility in Portland, Oregon. The inspection involved examination of your facilities; operation and maintenance manuals; construction documentation; and operation and Maintenance records. As a result of the inspection, it appears that you have committed probable violations, as noted below, of pipeline safety regulations, Title 49, Code of Federal Regulations, Part 195. The probable violations are:

- 1. §195.420 (b) requires each operation to, at intervals not exceeding 7 1/2 months, but at least twice each calendar year, inspect each mainline valve to determine that it is functioning properly.**

Chevron personnel did not inspect all of the mainline valves during the last 7 ½ months to ensure they were functioning properly. Two mainline valves, including their last inspection date, are listed below:

<u>Valve Designation</u>	<u>Date Last Inspected</u>
14th Place - 8" Grove	8/27/97
Airport - 8" WKM	8/27/97

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

September 17, 1998

Mr. Jeet S. Bindra
President
Chevron Pipe Line Corporation
4000 Executive Parkway
Suite 400, Bishop Ranch 8
San Ramon, CA 94583

CPF No. 58528W

Dear Mr. Bindra:

On August 24, 25, and 26, 1998, a representative of the Western Region, Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code, conducted an onsite pipeline safety inspection of the Chevron Pipe Line Corporation's (Chevron) Willbridge jet fuel pipeline facility in Portland, Oregon. The inspection involved examination of your facilities; operation and maintenance manuals; construction documentation; and operation and maintenance records. As a result of the inspection, it appears that you have committed probable violations, as noted below, of pipeline safety regulations, Title 49, Code of Federal Regulations, Part 195. The probable

violations are:

- 1. § 195.402 requires each operator to 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 this manual is effective. This manual shall be prepared before initial operations of a pipeline system commence, and appropriate parts shall be kept at location where operations and maintenance activities are conducted.**

Chevron has not updated their pipeline specific operation manual to reflect major system changes implemented during May, 1996. The manual must be reviewed and appropriate changes made to reflect the existing pipeline characteristics. At a minimum the revisions must address the new GATX pump station, new valving schemes, the Houston-based SCADA system, and operational boundaries between GATX and Chevron.

- 2. § 195.404 requires each operator to maintain current maps and records of it pipeline systems that include at least the following information: (1) Location and identification of the following pipeline facilities: (ii) Pump stations; (iii) Scraper and sphere facilities; (iv) Pipeline valves; (v) Cathodically protected facilities**

Chevron maps and records were not current. The system piping and instrument drawings (P&ID) must be updated to include the Chevron-operated GATX pump station and scraper facilities, the reconfigured scraper facilities at the airport, the new mainline valve at the airport, and the 1998 pipeline reroute done for the Multnomah Drainage District.

- 3. 195.420 (b) requires each operator to, at intervals not exceeding 7 ½ months, but at least twice each calendar year, inspect each mainline valve to ensure that it is functioning properly.**

Chevron personnel did not inspect all of the mainline valves during the last 7 ½ months to ensure they were functioning properly. Two mainline valves, including their last inspection date, are listed below:

<u>Valve Designation</u>	<u>Date Last Inspected</u>
14 th Place - 8" Grove	8/27/97
Airport - 8" WKM	8/27/97

All other mainline valves on the system were last inspected on March 5, 1998. The 14th Place valve is located in a below-grade vault, and was underwater on that date and the semiannual inspection was not completed. We also understand that due to piping reconfiguration near the airport scraper trap, the 8" WKM valve listed above is no longer considered a mainline valve. A new 4" Orbit valve has been installed at this location and is

designated as the new mainline valve. Maintenance records for the new Orbit valve were not available during our inspection.

Chevron must ensure that all designated mainline valves are inspected at the required intervals. Contingencies to remove water from valve vaults during these periodic inspections must be made so proper valve inspection can occur. The new 4" Orbit valve must be added to the mainline valve list and inspected accordingly. Valve inspections must at a minimum include partial stroking of the valves to indicate they are functioning properly. Full stroking of the valve is preferable, however, to help ensure that the valve seats correctly, and can fully open or close. Valves should be maintained in accordance with the manufacturer's recommended practices.

4. **§ 195.440 requires each operator to establish a continuing educational program to enable the public, appropriate government organizations and persons engaged in excavation-related activities to recognize a hazardous liquid or a carbon dioxide pipeline emergency and to report it to the operator or the fire, police, or other appropriate public officials.**

Chevron did not produce any evidence that they had personally informed or provided information to the referenced people regarding the recognition or reporting of a hazardous liquid pipeline emergency. Chevron's low stress pipeline facilities have been required to comply with this regulation since July 12, 1996. Section 106 of the former Operation and Maintenance Manual required the Operations Supervisor to have triennial personal contact with the individuals, businesses, or public agencies who have properties located in close proximity to the pipeline. It also required the Chevron Compliance Staff to annually provide information mailers on the years personal contact was not made, and to place a "Call Before You Dig" ad in the Portland Oregonian newspaper each year. Chevron did not have any records indicating that these function had been done after July 12, 1996. Chevron must conduct and document the public education program described in their current Operations and Maintenance Manual, dated _____, 1998.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$25,000 for each violation for each day the violations persists up to a maximum of \$500,000 for any related series of violations. We have reviewed the circumstances and supporting documents involved in this case, and have decided not to assess you a civil penalty. We advise you, however, that should you not correct the circumstances leading to the violations, we will take enforcement action when and if the continued violations comes to our attention.

In addition to the above listed probable violations, the inspection revealed additional areas that are causes for concern. I hope that you will consider the following concerns as constructive relating to continued pipeline safety.

- S No comprehensive atmospheric corrosion inspection has been done since this pipeline became regulated by the OPS in July, 1996. Our field observations indicate that active atmospheric corrosion is occurring on the pipeline components in the vaults and at the

scraper traps, but the extent could not be determined. Chevron typically inspects their pipeline components exposed to the atmosphere every 5 years. We recommend that Chevron conduct its atmospheric corrosion evaluation program before this 5-year time period to ensure that their pipeline components are meeting the coating requirements of 195.416 (i).

- S** The high pressure shutdown switch on the Chevron-operated GATX pumps will cause the discharged jet fuel to be relieved into the suction side of the pump station. The relief piping, however, is relieved into GATX-owned and operated piping immediately upstream of the pump station piping. We recommend that all valves on the relief piping be locked open, particularly any valves owned and operated by GATX. This will obviously require GATX's cooperation.

You will not hear from us again with regard to the noted inspection and our subsequent action. Because of the good faith that you have exhibited up to this time, we expect that you will act to bring your pipeline and your operations into compliance with pipeline safety regulations.

Sincerely,

Edward J. Ondak
Director