

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

August 24, 2010

Mr. J. Barnum
Vice President – Pipeline Services and Standards
Chevron Texaco Pipeline Company
4800 Fournace Place
Bellaire, TX 77401-2324

CPF 5-2010-5023M

Dear Mr. Barnum:

On August 17, 2009 to August 21, 2009, a representative of the State of Washington Utilities and Transportation Commission representing the U.S. Department of Transportation, Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected Chevron Texaco Pipeline Company's Pasco Pipeline System Operations and Maintenance (O&M) procedures. The review focused on O&M procedures related to the provers at the Fairchild and Spokane Delivery Stations.

On the basis of the inspection, PHMSA has identified the apparent lack of procedures for inspecting for atmospheric corrosion under thermal insulation in the Operations and Maintenance manual, as described below:

1. § 195.402 Procedural manual for operations, maintenance, and emergencies.

(c) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:

(3) Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.

Chevron's O&M manual for the Pasco Pipeline System has inadequate procedures for properly implementing Subpart H, 195.583. The O&M procedures include general atmospheric corrosion inspection methods, but there are no specific procedures to inspect the above ground piping under thermal insulation (provers) at either the Fairchild or Spokane Delivery Stations. Furthermore, there are no records to show the provers are being inspected at least once every three (3) years.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.237. Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Compliance Proceedings*. Please refer to this document and note the response options. 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). If you do not respond within 30 days of receipt of this Notice, this constitutes a waiver of your right to contest the allegations in this Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further notice to you and to issue a Final Order.

If, after opportunity for a hearing, your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.237). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within [number of days] days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

In correspondence concerning this matter, please refer to **CPF 5-2010-5023M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Chris Hoidal
Director, Western Region
Pipeline and Hazardous Materials Safety Administration

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*

cc: PHP-60 Compliance Registry
PHP-500 T. Larson (#123876)