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Tesoro Logistics Northwest Pipeline LLC
19100 Ridgewood Parkway
San Antonio, Texas 78259

UPS NEXT DAY AIR 1Z 772 408 13 9771 0817

March 27, 2015

Mr. Chris Hoidal
Director, Western Region
PHMSA, Office of Pipeline Safety
12300 W. Dakota Ave., Suite 110
Lakewood, Colorado 80228

RE: CPF 5-2015-5005M

Dear Mr. Hoidal:

Tesoro Logistics Northwest Pipeline LLC (Tesoro) received your February 25, 2015 letter on February 26, 2015 regarding a Notice of Amendment (NOA) resulting from a Pipeline and Hazardous Materials Safety Administration (PHMSA) representative's July 21-24, 2014 inspection of Tesoro procedures for the Northwest Products System breakout tank terminal in Pasco, Washington (Tesoro's Procedures).

In accordance with Title 49 Code of Federal Regulations (CFR) §190.237 [Amendment of plans or procedures], Tesoro is providing the following response to PHMSA's alleged inadequacy identified in Tesoro's Procedures.

PHMSA Allegation:

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.

At the time of the inspection, Tesoro Logistics GP, LLC procedures did not fully address the requirements of Subpart H. Specifically, the procedures did not address § 195.405(a) of Subpart H. Regulation § 195.405(a) states, "After October 2, 2000, protection provided against ignitions arising out of static electricity, lightning, and stray currents during operation and maintenance activities involving aboveground breakout tanks must be in accordance with API Recommended Practice 2003, unless the operator

CPF 5-2015-5005M



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notes in the procedural manual (§195.402(c)) why compliance with all or certain provisions of API Recommended Practice 2003 is not necessary for the safety of a particular breakout tank." Tesoro Logistics GP, LLC neither included reference to API Recommended Practice 2003, nor note why compliance with all or certain provisions of API Recommended Practice 2003 is not necessary for the safety of a particular breakout tank or tank farm.

Tesoro's Response to Item #1:

Tesoro has reviewed and updated its breakout tank standard in the Tesoro Operations and Maintenance Manual (O&M) (O&M Procedure LOM022 [Breakout Tanks]) to incorporate API Recommended Practice 2003, Protections Against Ignitions Arising Out of Static, Lightning, and Stray Currents. Attached for your reference is Tesoro's revised O&M Procedure LOM022 that has been implemented.

Tesoro submits this amended procedure LOM022 for your consideration and respectfully requests that PHMSA consider this matter resolved.

If you have any questions regarding this response or would like to discuss further, please do not hesitate to contact me at 210.626.6343 or aaron.w.martinez@tsocorp.com.

Sincerely,

Aaron W. Martinez
Director, Compliance - Logistics
Tesoro Logistics GP, LLC

Enclosure: Revised Tesoro O&M Procedure LOM022 Breakout Tanks

cc: Mr. Don J. Sorensen, SVP, Logistics