



Tesoro High Plains Pipeline Company LLC
19100 Ridgewood Parkway
San Antonio, Texas 78259

UPS NEXT DAY AIR 1Z 772 408 25 9643 6844

January 25, 2013

Mr. David Barrett
Director, Central Region
PHMSA, Office of Pipeline Safety
901 Locust Street, Suite 462
Kansas City, Missouri 64106-2641

RECEIVED JAN 28 2013

RE: CPF 3-2012-5027M

Dear Mr. Barrett:

Tesoro High Plains Pipeline Company LLC (Tesoro) received your letter dated December 27, 2012 regarding a Notice of Amendment (NOA) resulting from a representative of the Pipeline and Hazardous Materials Safety Administration's (PHMSA) 2010 inspection of Tesoro procedures for Operations, Maintenance, and Public Awareness Program in Dickinson, North Dakota.

Tesoro has investigated the "apparent inadequacies found within Tesoro plans or procedures," and submits the following written explanations, information and other materials in response to the allegations in the NOA. In accordance with Title 49 Code of Federal Regulations (CFR) §190.237 [Amendment of plans or procedures], Tesoro is providing the following response:

- 1. §195.436 Security of facilities.**
Each operator shall provide protection for each pumping station and breakout tank area and other exposed facility (such as scraper traps) from vandalism and unauthorized entry.

Tesoro did not have adequate written procedures for security of facilities.

Tesoro Operations and Maintenance Manual (O&M), Number OM024, Titled "Security of facilities" states that:

"Tesoro provides protection for each Pumping Station, Break-Out Tank area, and other exposed facilities (such as scraper traps) from vandalism and unauthorized entry. Appropriate levels of protection will be provided based on the location of the facility and level of risk from vandalism or unauthorized entry. Protection may include fencing, signs, chains, and locks."

CPF 3-2012-5027M1



Tesoro High Plains Pipeline Company LLC
19100 Ridgewood Parkway
San Antonio, Texas 78259

PHMSA's security of facility regulation cannot be determined on a risk base evaluation. The regulation requires security from vandalism and unauthorized entry at each pumping station and breakout tank area and other exposed facility (such as scraper traps). The phrase "*based on the location of the facility and level of risk*" should be removed from the O&M Number OM024. Also, the phrase "*Protection may include*" should state that "Protection shall include".

Tesoro's Response:

Tesoro acknowledges the need to update its security standards in the Tesoro Operations and Maintenance Manual (O&M) to adequately prevent unauthorized entry and vandalism at its pipeline facilities. As such, Tesoro is revising its O&M Procedure LOM024 to establish a higher standard of security.

However, Tesoro disputes the assertion that security measures should not be based upon a risk-based evaluation.

Many of Tesoro's pipeline facilities are subject to multiple security jurisdictions, including the Transportation Security Administration's (TSA) Pipeline Security Guidelines, the Department of Homeland Security's (DHS) Chemical Facility Anti-terrorism Standards (CFATS), and the U.S. Coast Guard's Marine Transportation Security Act (MTSA). All of these standards require that security measures be based upon an assessment of risk and vulnerability. For example, TSA's Pipeline Security Guidelines specifically state:

"The intent of these guidelines is to bring a risk-based approach to the application of the security measures throughout the pipeline industry". – TSA Pipeline Security Guidelines, December 2010

Furthermore, PHMSA's *Operations and Maintenance Enforcement Guidance* (revised Dec. 2011) recognizes the need for, and acceptability of, risk-based measures by stating that "*the operator needs to evaluate specific security requirements depending on the threats present in that area*".

As a corrective action, Tesoro revised its O&M Procedure LOM024 to establish the minimum acceptable levels of security that must be implemented at all facilities. The revised procedure also describes risk-based enhancements which may be implemented as necessary based on specific threats and risks to the facility.

Tesoro submits these amended procedures and additional information for your consideration and respectfully requests that PHMSA consider industry best practices and established performance-



Tesoro High Plains Pipeline Company LLC
19100 Ridgewood Parkway
San Antonio, Texas 78259

based security measures already accepted and required by the other federal security agencies regulating the security of pipeline-related facilities.

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,

A handwritten signature in blue ink, appearing to read "Aaron W. Martinez", written over a light blue horizontal line.

Aaron W. Martinez
Manager, DOT Compliance and Risk
Tesoro Logistics GP, LLC

Enclosure: Revised Tesoro O&M Procedure LOM024

cc: Mr. Rick D. Weyen, Vice President, Tesoro Logistics GP, LLC



SCOPE	This procedure applies to the security of Tesoro facilities, in accordance with 49 CFR §195.436 .
RESPONSIBILITY	<ul style="list-style-type: none"> ◆ Corporate Security Director ◆ Regional Manager ◆ Operations Personnel ◆ Maintenance Personnel ◆ Regional Security Manager
FREQUENCY	As necessary
INTRODUCTION	Tesoro provides protection for each Pumping Station, Break-Out Tank area, and other exposed facilities (such as scraper traps) from vandalism and unauthorized entry.
<i>Responsibility – Pipeline Operator</i>	<p>Pipeline Operator Responsibilities:</p> <ul style="list-style-type: none"> ◆ Be responsible for the facility's security, where practicable ◆ Do not permit unauthorized personnel in the facility ◆ Maintain the facilities in a good state of cleanliness and order so that security issues may be readily observed
PROCEDURE	<p>Breakout tank areas, pump stations, and other exposed facilities shall be protected against unauthorized intrusion by installation of a perimeter fence or other physical barrier providing equal or greater protection.</p> <p>Exception to this requirement is permitted where the installation of such fencing is precluded by ordinance or law, or where terrain or other natural barriers make installation impractical or unnecessary.</p> <p>NOTE: Isolated remote valves, are not considered "other exposed facilities" in relationship to this requirement; thereby not requiring perimeter security (per PHMSA O&M Enforcement Guidance).</p> <p>Protection shall be provided in accordance with the following requirements:</p> <p>Perimeter Fencing</p> <p>1.1 Perimeter, Secure Area, and Restricted Area fencing or barriers shall be constructed at a height that will delay intrusion.</p> <p>1.2 Intrusion Detection Systems (IDS) shall be deployed on boundaries identified in a Vulnerability Assessment as more susceptible to crime or intrusion. IDS systems should be integrated with surveillance.</p> <p>1.3 Chain-link fencing, when used as a perimeter barrier, should consist of fence fabric not less than 6 feet in height and fitted with a top guard of not less than 1 foot. Top guards should be either:</p> <ul style="list-style-type: none"> a. a 3-6 strand barbed wire top guard constructed of 12.5 gauge or heavier wire angled out and up at a 45 degree angle, or b. concertina wire/razor-ribbon.



1.4 Any new or replacement fencing shall meet the following criteria: the fence fabric shall be made of chain link (galvanized, aluminized, or plastic-coated woven steel) 2-inch square mesh, 9-gauge diameter wire, including coating. The fence fabric shall be no less than 6-feet in height (excluding the top guard). The top guard shall be a 12 inch outrigger placed at a 45-degree angle placed on top of the fence bringing the overall height to the fence and top guard at 7-feet. The top guard shall be outfitted with either three strands of at least 12.5-gauge barbed wire or concertina wire/razor-ribbon. In addition, posts, braces, and other structural components (e.g., tie wires) should be of the same tinsel strength as the fence fabric and be located on the inside of the fence fabric.

1.5 Ornamental wrought iron or aluminum fencing may be used in lieu of chain link as specified in 1.3. When used as a perimeter barrier, ornamental fencing should be a minimum of 8 feet in overall height, or provide a reasonable deterrence to climbing.

1.6 Where natural elevation, grade, or man-made structures effectively compromise the height of a perimeter fence, additional fencing material shall be added to ensure an effective deterrence is maintained.

1.7 Gaps between the bottom of the fence and grade should be such that the facility cannot be compromised by a person crawling under the barrier. This can be accomplished by placing the bottom of the fence fabric to within 2-inches of firm ground.

1.8 Perimeter fencing shall be routinely inspected for wear and damage.

1.9 Fencing shall be maintained in good repair and damages which may compromise the integrity of the fence shall be repaired as soon as practical.

Perimeter Gates and Locks

Perimeter gates shall be designed to provide positive control of pedestrians and vehicles and to maximize traffic flow.

2.1 The number of perimeter gates in use shall be kept to the minimum required for effective operations. Where practical, gates not required for operations, turnarounds, safety, or maintenance shall be permanently sealed by welding or replaced with fencing.

2.2 Perimeter gates shall be of a design and height sufficient to provide a level of protection equal to or greater than the adjacent perimeter fence.

2.3 Gaps between swing gate panels or sliding gates and gate posts shall be such that the facility cannot be compromised.

2.4 Unmanned perimeter gates shall be secured at all times when not in use with security padlocks and cables or chains.

Regional Managers shall verify security measures are in accordance with this procedure.



DOCUMENTATION	The Regional Manager maintains the documentation resulting from implementation of this procedure for the life of the facility in the location files.	
REFERENCES	<ul style="list-style-type: none"> ◆ <i>49 CFR §195.402(a) Procedural manual for operations, maintenance, and emergencies</i> ◆ <i>49 CFR §195.436 Security of Facilities</i> ◆ <i>PHMSA O&M Enforcement Guidance (revised Dec. 7, 2011)</i> ◆ <i>Tesoro Security Standard (TSS-001)</i> 	
REVISION CONTROL	DATE	DESCRIPTION OF CHANGES
	7/1/09	Rev. 0: Procedure creation
	5/1/10	Rev. 1: Added "Regional Security Manager" to the <i>Responsibilities</i> Row. Updated font colors for references.
	3/12/12	Rev. 2: Updated title from <i>OM024</i> to <i>LOM024</i> .
	1/18/13	Synchronization with Corporate Security Standards