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Chris Hoidal  
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12300 West Dakota Avenue, Suite 110  
Lakewood, Colorado 80228

February 3<sup>rd</sup> of 2009

Subject: **CPF 5-2009-0001M – Notice of Amendment**

Dear Chris Hoidal,

This letter is being submitted in response to the Notice of Amendment CPF 5-2009-0001M, dated January 6<sup>th</sup> of 2009, regarding an inspection of Tesoro Refining and Marketing Company's (TRMC) Wilmington, CA, Gas Pipeline Operations & Maintenance (O&M) Manual.

TRMC acquired the referenced gas pipeline in May of 2007, and this is the only gas pipeline in all of the Tesoro Corporation. Although TRMC has other standards (such as a Welding Procedures Manual) which are in common use among all locations, the gas pipeline O&M Procedure Manual had not been revised to reference these standards. The TRMC Gas Pipeline O&M Procedures Manual will be revised to address the inadequacies identified in this Notice of Amendment. The new Tesoro Gas Pipeline O&M Procedures Manual will include, at a minimum, the revision items listed below in accordance with 49 CFR 192. If there is information TRMC believes would warrant modification of this Notice of Amendment in part, such items are be noted below.

Please contact Lori Menke at [LMenke@tsocorp.com](mailto:LMenke@tsocorp.com) or 210-626-6526, if any additional data is needed for item closure.

Sincerely,

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**Audit Items and Issue Resolution:**

- 1) 49CFR192.227 Welders: Qualification of Welders:
  - a. **Item:** Tesoro Refining and Marketing Company (TRMC) does not specify in its Operations and Maintenance (O&M) manuals what section and edition of API 1104 need to be used to qualify its Welder. TRMC's O&M manuals only require its welders to be qualified according to API 1104. TRMC's O&M manual does not explicitly reference the appropriate industry standard to be used to qualify its welders.
  - b. **Resolution:** *The Gas Pipeline O&M Manual will be revised to reference the existing Tesoro Welding Manual, which specifies API 1104, 19<sup>th</sup> Edition, Section 6, or ASME Boiler and Pressure Vessel Code, 2004 Edition, Section IX "Welding and Brazing Qualifications".*
  
- 2) 49CFR192.241 Inspection of Test Welds:
  - a. **Item:** TRMC's welding procedures do not specify in its O&M manuals what section and edition of API 1104 need[s] to be used to inspect its welds. TRMC's Operations and Maintenance states, "NDT testing shall conform to API 1104." TRMC's O&M manual do[es] not explicitly reference the industry standard to be used to inspect and accept their welds.
  - b. **Resolution:** *The Gas Pipeline O&M Manual will be revised as noted. However, the Edition number and the applicable section of API 1104 are currently referenced in the Tesoro Welding Manual.*
  
- 3) 49CFR192.243 Nondestructive Testing:
  - a. **Item:** TRMC does not have adequate O&M procedures for nondestructive testing. If TRMC has a separate welding manual, and if that manual addresses nondestructive testing, then it should be included or referenced in its O&M manuals.
  - b. **Resolution:** *The Gas Pipeline O&M Manual will be revised to reference the existing Tesoro Welding Manual, which contains detailed non-destructive testing procedures.*
  
- 4) 49CFR192.609 Change in Class Location: Required Study:
  - a. **Item:** TRMC does not have adequate procedures to periodically determine changes in class location. TRMC previously identified its pipeline to be in class 1 location. A recent class location study conducted by an outside contractor identified the pipeline to be located in a class 2 &3, however, procedures to determine future class changes are not in the TRMC O&M manual.
  - b. **Resolution:** *The Gas O&M Manual will be revised to include procedures for evaluating class location changes.*
  
- 5) 49CFR192.611 Change in Class Location: Confirmation or Revision of Maximum Allowable Operating Pressure:
  - a. **Item:** TRMC does not have adequate procedures to establish MAOP limits that are commensurate with changes in class location. TRMC changed its pipeline location from class 1 to class 2 & 3 without confirming if the existing MAOP meets the new class locations.
  - b. **Resolution:** *The Gas O&M Manual will be revised to include MAOP limit procedures which correspond to changes in class location.*
  
- 6) 49CFR192.705 Transmission Lines: Patrolling:
  - a. **Item:** TRMC's new class location study identified its pipeline to be located in both class 2 & 3 areas. TRMC's O&M manuals still require once-a-year ROW patrolling

as if the pipeline were in a class 1 or 2 area. The O&M manuals need to be revised to meet the requirements of 49CFR192.705(b).

**b. Resolution: *The Gas O&M Manual will be revised to meet the regulatory patrol frequency for class 2 and 3 locations.***

7) 49CFR192.706 Transmission Lines: Leakage Surveys:

a. Item: TRMC's new class location study identified its pipeline to be in a class 2 & 3 area. TRMC, in its O&M manuals, still require once per year leakage survey. The O&M manuals need to be revised to meet the periodic survey requirements of 49CFR192.706

**b. Resolution: *The Gas O&M Manual will be revised to meet the regulatory periodic survey requirement for class 2 and 3 locations.***