



U.S. Department
of Transportation

Pipeline and Hazardous Materials
Safety Administration

12300 W. Dakota Ave., Suite 110
Lakewood, CO 80228

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

March 16, 2018

Mr. Don Sorenson
Senior Vice President, Logistics
Tesoro Alaska Pipeline Company LLC
19100 Ridgewood Parkway
San Antonio, TX 78259

CPF 5-2018-6008M

Dear Mr. Sorenson:

On several occasions between September 11, 2017 and September 20, 2017, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code, inspected Tesoro Alaska Pipeline Company LLC (Tesoro) procedures for Control Room Management (CRM) in Nikiski and Anchorage, Alaska.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within Tesoro's plans or procedures, as described below:

1. **§ 195.446 Control Room Management.**

(a) General. This section applies to each operator of a pipeline facility with a controller working in a control room who monitors and controls all or part of a pipeline facility through a SCADA system. Each operator must have and follow written control room management procedures that implement the requirements of this section. The procedures required by this section must be integrated, as appropriate, with the operator's written procedures required by § 195.402.

...

(c) Provide adequate information. Each operator must provide its controllers with the information, tools, processes and procedures necessary for the controllers to carry out the roles and responsibilities the operator has defined by performing each of the following:

Tesoro's Preventative Maintenance (SAP) system inventory was inadequate for not listing the safety-related point for the pressure transmitter, PT 002a located at the Anchorage terminal. PT 002a was not part of the SAP system inventory. There are four safety-related points in the system, at the time of the inspection, only the three Nikiski Terminal safety-related points were listed in the SAP system inventory. Operational procedures must insure that preventative maintenance tasks for safety related points are completed and tracked in a comprehensive, reliable, and repeatable manner. The tracking of preventative maintenance tasks for the three safety related points at the Nikiski facility in one system separate from the system used for the single Anchorage safety related points increases the likelihood that the four points will not be maintained in a like manner.

2. **§ 195.446 Control Room Management.**

(a) General. This section applies to each operator of a pipeline facility with a controller working in a control room who monitors and controls all or part of a pipeline facility through a SCADA system. Each operator must have and follow written control room management procedures that implement the requirements of this section. The procedures required by this section must be integrated, as appropriate, with the operator's written procedures required by § 195.402.

...

(e) Alarm management. Each operator using a SCADA system must have a written alarm management plan to provide for effective controller response to alarms. An operator's plan must include provisions to:

(1) Review SCADA safety-related alarm operations using a process that ensures alarms are accurate and support safe pipeline operations;

The Tesoro document, WP123, specifies that alarm reviews will be completed by the alarm review team which includes, as one of its members, the Alarm System Coordinator. Section 6 of WP123 identifies specific roles and responsibilities of the Alarm System Coordinator; however, the document fails to identify which Tesoro staff positions or personnel are deemed competent to fill this role.

3. **§ 195.446 Control Room Management.**
(a) General. This section applies to each operator of a pipeline facility with a controller working in a control room who monitors and controls all or part of a pipeline facility through a SCADA system. Each operator must have and follow written control room management procedures that implement the requirements of this section. The procedures required by this section must be integrated, as appropriate, with the operator's written procedures required by §195.402.
.....
(j) Compliance and deviations. An operator must maintain for review during inspection:
(1) Records that demonstrate compliance with the requirements of this section; and
(2) Documentation to demonstrate that any deviation from the procedures required by this section was necessary for the safe operation of the pipeline facility.

Tesoro CRM Procedure 10.2 identifies the following key personnel required for completion of the Tesoro CRM Annual Review Form:

DOT Compliance Manager

Logistics Regional Manager

Shift Leaders

Controller

The Tesoro procedures do not demonstrate a link between the Logistics Regional Manager and what person/position fills that role at the Nikiski location. Further, the signature blocks of the Tesoro Control Room Management Review form do not identify the four staff positions (DOT Compliance Manager, Logistics Regional Manager, Shift Leaders, and Controller) for the persons placing their signatures as reviewers.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.206. 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).

Following the receipt of this Notice, you have 30 days to submit written comments, revised procedures, or a request for a hearing under §190.211. 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 an Order Directing Amendment. If 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. § 190.206). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 60 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.

It is requested (not mandated) that Tesoro Alaska Pipeline Company LLC maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Kim West, Acting Director, Western Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 5-2018-6008M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

A handwritten signature in black ink, appearing to be 'Kim West', written over a horizontal line.

Kim West
Acting Director, Western Region
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry
PHP-500 M. Chard (#155158)

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