

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

December 9, 2019

Mr. Don Sorensen
Senior Vice President, Logistics
Tesoro Logistics, Northwest Pipeline LLC
19100 Ridgewood Parkway
San Antonio, TX 78259

CPF 5-2019-5014W

Dear Mr. Sorensen:

On March 11 through 13, 2019, a representative of the Washington Utilities and Transportation Commission for the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code (U.S.C.), inspected the Tesoro Logistics, Northwest Pipeline LLC, Pasco Terminal breakout tanks in Pasco, Washington.

As a result of the inspection, it is alleged that Tesoro has committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The item inspected and the probable violation is:

1. **§ 195.307 Pressure testing aboveground breakout tanks**
 - (a) . . .
 - (d) **For aboveground atmospheric pressure breakout tanks constructed of carbon and low alloy steel, welded or riveted, and non-refrigerated tanks built to API STD 650 or its predecessor Standard 12 C that are returned to service after October 2, 2000, the necessity for the hydrostatic testing of repair, alteration, and**

reconstruction is covered in section 12.3 of API Standard 653 (incorporated by reference, see §195.3).

Previous owner (Chevron), based on lack of and incomplete records, did not follow API Std 653 (except section 6.4.3) when repairing their breakout tanks in violation of 49 CFR § 195.307(d). API Standard 653 Section 12.3 sets forth requirements for reconstruction and hydrotesting a tank prior to being placed back in service. Specifically, 12.3.1.b requires hydrotesting for any tank which has undergone major repairs or alterations. A new bottom in a tank is considered a major repair/alteration pursuant to API 653 Section 3.20. This requires that tanks which have had a new bottom installed since October 2, 2000, to be hydrotested prior to returning to service per API 650 Section 7.3.5 and 7.3.6 (11th edition).

At the Pasco delivery station, eight tanks have had their bottoms replaced since October 2, 2000: 1 (2006), 2 (2006), 6 (2002), 7 (2006), 8 (2005), 9 (2003), 12 (2001), and 15 (2001). Tesoro was unable to provide any records to indicate a hydrostatic test was performed in accordance to API Std 653 on Tanks 6, 8, 9, 12 and 15.¹ The test records provided on Tanks 1, 2 and 7 were incomplete; the Hydrostatic Test Certification Form received from Matrix Service Inc. (Matrix) on these tanks was missing fill height and testing time.

Since Tesoro did not receive or maintain a complete set of records from the previous operator (Chevron), whom completed the repairs and return to service, Tesoro should conduct an engineering assessment on Tanks 1, 2, 6, 7, 8, 9, 12 and 15 to confirm the current fill height is safe for the integrity of the tank and to provide an explanation why a hydrotest is not required (API Std 653 section 12.3).

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$218,647 per violation per day the violation persists, up to a maximum of \$2,186,465 for a related series of violations. For violation occurring on or after November 27, 2018 and before July 31, 2019, the maximum penalty may not exceed \$213,268 per violation per day, with a maximum penalty not to exceed \$2,132,679. For violation occurring on or after November 2, 2015 and before November 27, 2018, the maximum penalty may not exceed \$209,002 per violation per day, with a maximum penalty not to exceed \$2,090,022. For violations occurring prior to November 2, 2015, the maximum penalty may not exceed \$200,000 per violation per day, with a maximum penalty not to exceed \$2,000,000 for a related series of violations. We have reviewed the circumstances and supporting documents involved in this case, and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to correct the item identified in this letter. Failure to do so will result in Tesoro Logistics, Northwest Pipeline LLC being subject to additional enforcement action.

¹ 49 C.F.R. § 195.310 requires records for each pressure test required by Subpart E of Part 195.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 5-2019-5014W**. 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).

Sincerely,

Dustin Hubbard
Director, Western Region
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry
PHP-500 A. Ceartin (#166461)
Sean Mayo, Pipeline Safety Director, Washington Utilities and Transportation
Commission