



09-08-08P12:28 RCVD

Global Marketing



Gene P. Ketcham
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CERTIFIED MAIL – RETURN RECEIPT REQUESTED

SENT TO COMPLIANCE REGISTRY
Hardcopy ___ Electronically ☒
of Copies 1 / Date 9.8.08

September 5, 2008

Mr. Chris Hoidal
Director, Western Region
Office of Pipeline Safety
12300 West Dakota Avenue, Suite 110
Lakewood, CO 80228

RE: CPF No. 5-2008-5012M

Dear Mr. Hoidal:

On March 19, 2008, Mr. H. Nguyen of the Pipeline and Hazardous Materials Safety Administration (PHMSA) inspected Chevron Products Company's (CPC) Integrity Management Program in San Ramon, California.

On June 9, 2008, as a result of the inspection, CPS received a Notice of Amendment from PHMSA, dated June 6, 2008. On June 9, 2008 CPC requested a 60 day extension which was approved.

CPC revised its existing processes and procedures and modified the current risk assessment model to incorporate additional risk factors and variables such as Loss Prevention System (LPS) and API 653 inspection data, as indicated in the Notice. The amended procedures are included with this letter.

CPC is committed to operating and maintaining its pipeline terminals in accordance with all applicable laws and regulations, and in a manner that minimizes environmental and safety risks. We the procedural changes resolve the issues identified by PHMSA and improve our Integrity Management practices.

September 5, 2008
Page 2

Comments or questions relative to Chevron Product Company's IM Program should be directed to Gene Ketcham at (503) 221-6579 or GPKE@chevron.com.

Sincerely,

A handwritten signature in black ink that reads "Gene Ketcham". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Peter Prather
HES Manager
Chevron Product Company

Attachments:

- I CPC IMP Section 3.0 Pipeline Facility Risk Assessment
- II Loss Investigation/Near Loss Investigation Analysis for DOT IMP Risk Assessment
- III Risk Assessment
- IV Facility Risk Questions