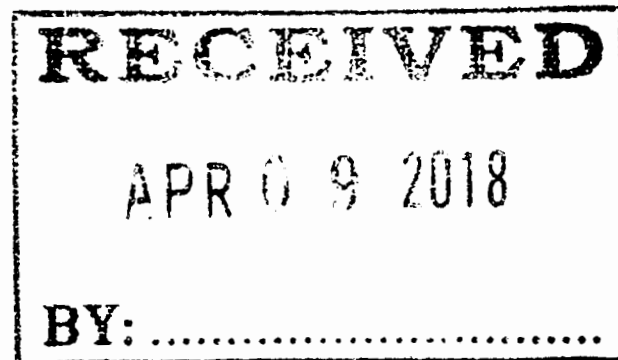




Certified Mail 7015 1520 0001 5477 0764

April 4, 2018

Mr. Dustin Hubbard
Acting Director, Western Region
Pipeline and Hazardous Materials Safety Administration
12300 W. Dakota Ave., Suite 110
Lakewood, CO 80228

**RE: Inspection Response Letter
 2017 Hazardous Liquid Pipeline Inspection – Umatilla Hinkle Rail Diesel Line
 Tidewater Terminal Company
 671 Tank Farm Road
 Pasco, Washington 99301**

Dear Mr. Hubbard,

Representatives from the Pipeline and Hazardous Materials Safety Administration (PHMSA) conducted an inspection of the Umatilla Hinkle Rail Diesel Line on December 11-14, 2017. The inspection included a records review and inspection of the pipeline and associated facilities. Probable violations and areas of concern identified during the inspection were described in two PHMSA letters dated January 25, 2018; one letter titled "Letter of Concern" identified 5 concerns and the other titled "Warning Letter" identified 3 probable violations.

Tidewater has completed its review of the inspection reports and has addressed each of the concerns and probable violations. Corrective actions and completion dates for each of the concerns and probable violations are described in the enclosed spreadsheet.

Tidewater appreciates PHMSA's assistance relative to pipeline compliance and trust the corrective actions are sufficient to bring the concerns and probable violations into full compliance. Please contact the undersigned at bill.collins@tidewater.com or 360-693-1491 if you have any questions concerning the attached spreadsheet or if you require additional information.

Sincerely,

A handwritten signature in black ink, appearing to read 'William H. Collins'. The signature is fluid and cursive.

William H. Collins
Director, EHS&S

Cc: Snake River Terminal Files

Area of Concern	Corrective Action	Completion Date
Tidewater's System Operations Manual and Pipeline Operations and Maintenance Manual (operation manual) needs to be adequate for the operation of the Tidewater pipelines, with focus on notification to PHMSA when a significant change has occurred in the OQ program and specify how records are to be kept. For example, the procedure does not give enough guidance to ensure the safety of workers, the Public, and property during maintenance and construction activities. This procedure should include a section on pre-staging of safety equipment and apparatuses.	Tidewater has made revisions to the System Operations Manual, the Operator Qualification (OQ) Program, and the Pipeline Operations and Maintenance (O&M) Manual to include the recommendations made during the PHMSA inspection involving PHMSA notifications, record storage, and pre-staging procedures.	2/22/18
Tidewater's SRT Inbound and Alignment Sheets need to be changed to reflect the correct Maximum Operating Pressure (MOP) and include mainline valve (ball and check) locations along the pipeline right of way. A typical example will be the Alignment sheet showing a MOP of 650 psi, while the established MOP is 740 psi. It is critical to the safe operation of the pipeline to have accurate maps and alignment sheets.	The alignment sheets have been revised to include the established MOP and locations of mainline valves.	2/9/18
During the inspection, the PHMSA inspector identified the emergency shutdown sign on the ESD push buttons had faded significantly and should be maintained and protected from accidental engagement. This is to ensure that Tidewater is in compliance with Section 5.3.2 Local Emergency Shutdown of System Operations Manual. For example, the Operation Manual specified that the ESD be initiated locally by any operator or responsible individual, by engaging the clearly labeled ESD pushbutton placed in a visible and accessible location. However, the sign on the ESD is no longer legible or protected. It is possible a passerby could accidentally engage the pushbuttons.	Replacement emergency shutdown signage has been installed.	2/20/18
Tidewater facility response plan at the Tidewater Hinkle Receiving Station and Booster Pump Station was last updated May 1, 2013, hence Tidewater needs to distribute the updated plan to keep it current at the facilities.	Tidewater has replaced all written copies of the facility response plan with the most up-to-date version.	3/21/18

Area of Concern	Corrective Action	Completion Date
During the field inspection, we noticed that the cathodic protection (CP) test stations are not adequately identified such that the tester can visit a specific test station based on Tidewater test station classification and be able to accurately record the CP results. Each test station should show the location and or unique identifier so the CP technician has accurate results. If Tidewater hired a third-party consultant, then they would need to know the precise location of all test stations.	Tidewater has updated the unique identifier for each CP test station on the alignment sheet.	2/9/18

Probable Violations	Corrective Action	Completion Date
At the time of inspection, no records were available to demonstrate that Tidewater had performed pressure relieve valve inspections in 2016, as the record of relieve valve inspections reviewed (maintenance order #2247) showed that the inspection was conducted December 5, 2017. The operator's Operations and Maintenance Manual, Section 590 (c) Overpressure Protection, states that overpressure safety devices (pressure relieve valve) will be inspected at least once each calendar year at intervals not exceeding 15 months. Therefore, Tidewater failed to perform inspection of overpressure safety devices and overfill protection systems in accordance with §195.428(a).	The inspection of the pressure relief valve has been added to Tidewater's preventative maintenance system (Marine CFO) to ensure timely completion.	2/9/18
A review of the records showed that Tidewater has not monitored the atmospheric corrosion of its exposed pipeline since April 2013. From the previous inspection, Tidewater was advised to conduct atmospheric corrosion monitoring by April 2016. Review of the available record (maintenance order #2247) demonstrated that the atmospheric monitoring was conducted on December 5, 2017. The operator's Operations and Maintenance Manual, Section 403.7 Above Ground Piping, states all aboveground piping will be inspected every 3 years not to exceed 39 months. Therefore, Tidewater failed to monitor atmospheric corrosion of its exposed pipeline in accordance with §195.583(a).	The three-year inspection for atmospheric corrosion has been added to Tidewater's preventative maintenance system (Marine CFO) to ensure timely completion. Please note that Tidewater conducts a weekly station check that includes an inspection of all above ground piping for atmospheric corrosion.	2/9/18
Tidewater conducted a pipeline modification project in 2015 (Hinkle Pipeline modification project). Tidewater cannot show records to demonstrate that an internal inspection for corrosion was performed on the removed pipe. Therefore, Tidewater failed to inspect the internal surface of a removed pipeline for evidence of corrosion in accordance with §195.579(c).	Tidewater has revised the Inspection, Repair, Replacement, and Crossing Report to include a section for the internal inspection of the pipeline when any section of pipe is removed.	2/18/18