



STATE OF WASHINGTON
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION
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CERTIFIED MAIL

August 14, 2012

Gary Koegeboehn
Vice President/General Manager
NuStar Pipeline Operating Partnership L.P.
7340 W. 21st Street N.
Wichita, KS 67205

Dear Mr. Koegeboehn:

RE: 2012 Nustar Operations and Maintenance Manual Review- Snake River-Pasco/BN Pipeline System

The Washington Utilities and Transportation commission (staff) conducted a review of Nustar's operation and maintenance manuals from July 10-12, 2012.

Our inspection indicates one area of concern which unless corrected, could potentially lead to future violation of state and/or federal pipeline safety rules.

Your response needed

Please review the attached report and respond in writing by Sept 17, 2012. The response should include how and when you plan to address the area of concern identified.

If you have any questions, or if we may be of any assistance, please contact Dave Cullom at (360) 664-1141. Please refer to the subject matter described above in any future correspondence pertaining to this inspection.

Sincerely,

David D. Lykken
Pipeline Safety Director

cc: Daniel J. Tibbits, Director – HSE, NuStar

Enclosure



WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION
2012 Operations and Maintenance Manual Review
NuStar Pipeline Operating Partnership L.P – Snake River – Pasco BN Pipeline System

The following area of concern was noted as a result of the review of NuStar's Operations and Maintenance manual.

AREA OF CONCERN

1. **49 CFR §195.402 Procedural manual for operations, maintenance, and emergencies.**

(c) *Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:*

(3) *Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart, (F), and subpart H of this part.*

49 CFR §195.444 CPM Leak Detection.

Each computational pipeline monitoring (CPM) leak detection system installed on a hazardous liquid pipeline transporting liquid in single phase (without gas in the liquid) must comply with API 1130 in operating, maintaining, testing, record keeping, and dispatcher training of the system.

Finding(s):

There was no language in Nustar's procedures that addressed the §195.444 requirement.