



**AltaGas
Facilities (U.S.) Inc.**

1411 Third St. Suite A
Port Huron, MI
48060

6 February 2015

David D. Lykken
Pipeline Safety Director
State of Washington Utilities and Transportation Commission
1300 S. Evergreen Park Dr. S.W.
P.O. Box 47250
Olympia, Washington 98504-7250

RECEIVED

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State of Washington
UTC
Pipeline Safety Program

RE: 2014 Hazardous Liquid Technical Assistance Inspection – AltaGas Facilities (U.S.) Inc.
(Inspection No. 5820)

Dear Mr. Lykken:

Thank you for your letter dated January 9, 2015 documenting the Washington Utilities and Transportation Commission's (WUTC) December 2014 audit findings. AltaGas Ferndale Storage Terminal shares the Commission's commitment to ensuring the safety of our community, and takes the areas of concern noted in your letter seriously. We have dedicated resources to address each of these issues and are actively pursuing their full resolution.

The findings documented in your letter are included in short form below, with a summary of AltaGas' corrective actions for each issue, and / or our proposal for their resolution.

Finding 1

Currently, AltaGas does not have a public awareness (PA) plan meeting the requirements of 49 CFR §195.440. They do belong to the one-call system in Whatcom County. AltaGas is unique as a hazardous liquid pipeline operator in that they only have 30-feet of pipeline which is outside of their secure facility. The 40-acre facility is bounded as follows: Conoco Phillips refinery to the south, Intalco Aluminum Smelter to the north, Strait of Georgia to the west. The closest general public neighbor is approximately 6500 feet east. As such, it was difficult to apply API 1162 to this operator. Given this, AltaGas is requesting the use of a modified program. They will check with Conoco Phillips to potentially be included in their PA program. Regardless of the approach, AltaGas must propose a plan which meets the intent of the code language, and ensures that communication is maintained with appropriate government agencies.

Finding 1 Response

Actions to Date

AltaGas has communicated with P66 related to Public Awareness activities, and reviewed its corporate Emergency Response Plan and site level emergency action plan for content related to external communications in the event of an unplanned release. AltaGas has further engaged an external consultant to review its facility and develop a Public Awareness Plan aligned with the spirit and intent of 49 CFR §195.440. This code requires that pipeline operators develop and implement a written continuing public education program that leverages the guidance provided by API Recommended Practice (RP) 1162, highlighting various elements of the RP.

AltaGas' Understanding of the Code's Intent

API RP 1162 indicates that the overall goal of a pipeline operators' Public Awareness Program is to "enhance public environmental and safety property protection through increased public awareness and knowledge." It further specifies that operators should "select the most appropriate mix of audiences, message types, and delivery methods and frequencies, depending on their needs and the needs of the communities along a given pipeline segment."

Per API RP 1162, its scope includes transmission pipelines, local distribution systems, and gathering systems infrastructure. The RP describes content for engagement, and defines four stakeholder audiences for engagement on the pipeline:

- The affected public, defined as residents and places of congregation along the pipeline and associated right of way located at a minimum of 660' and as much as 1000' in select cases
- Local and state emergency response and planning agencies
- Local public officials and governing councils
- Excavators

AltaGas' Proposed Resolution

AltaGas proposes to develop and implement a documented Public Awareness (PA) Plan covering the 30 foot pipeline located outside its secured facility, including activities and procedures that currently exist but which are not formally housed within a documented PA Plan. This PA Plan will reference existing corporate Emergency Response Plan and the site level Emergency Action Plan which include communications guidelines; detailed agency, neighbor, and emergency responder contact lists; and contact logs to be used in the event of minor, major, or catastrophic events associated with facility infrastructure.

The PA Plan will describe the type, frequency and mechanism of outreach to identified stakeholders within the four groups specified by API RP 1162. This will be completed no later than 60 days from submittal of this letter. Key aspects envisioned to be covered by the plan are described below.

Requirement	Proposed Plan
<i>Stakeholder Identification</i>	Specific stakeholders within each of the four groups described in the API Recommended Practice will be identified in a simple registry.
<i>Message Content</i>	<p>In accordance with 49 CFR §195.440, the content of AltaGas' communications and outreach efforts will cover the following aspects:</p> <ul style="list-style-type: none"> • Use of a one-call notification system prior to excavation and other damage prevention activities, to which this facility currently belongs and which is advertised on their website • Possible hazards associated with unintended releases from a hazardous liquid or carbon dioxide pipeline facility • Physical indications that such a release may have occurred • Steps that should be taken for public safety in the event of a hazardous liquid or carbon dioxide pipeline release • Procedures to report such an event <p>The AltaGas website includes information regarding each of the content elements including information on the One-Call system, physical and visual indications of a pipeline leak, what to do and where to call if a pipeline is struck or if a leak is suspected including reporting procedures, and hazards associated with unintended releases. The website will be updated to reflect the Ferndale operations. Activities that publicize the website and information contained therein will be included within the Public Awareness Plan.</p>
<i>Message Delivery Methods and/or Media</i>	AltaGas proposes using a mix of facility tours, participation in emergency drills, and print and web-based communications to enhance public awareness around its pipeline and relevant safety issues.
<i>Program Recordkeeping</i>	Implementation of the plan will be recorded, including the date, content and audience of all communications or outreach activities. Copies of print communications will be retained for a period minimum of 5 years.
<i>Program Evaluation</i>	The plan will include a section on evaluation of the program's process and efficacy. Evaluation methods will include a tool for self-auditing, attendance records for site tours and emergency response drills, and feedback forms for stakeholders participating in these events.
<i>Periodic Review and Update</i>	The Plan itself will be reviewed annually, and its components revised if appropriate to account for changes in the size of the potentially affected population or turnover in the population. AltaGas does not expect an increase in the potential for excavation activity proximate to the subject pipeline given its particular location and small size.

Finding 2

AltaGas does not have a damage prevention plan meeting the requirements of 49 CFR §195.442. They do belong to the one-call system in Whatcom County. AltaGas believes they fall under the exemption under §195.442(d):

(d) A damage prevention program under this section is not required for the following pipelines:

...

(2) Pipelines to which access is physically controlled by the operator.

AltaGas contends that the only accessible portion of their pipeline is the 30 feet road crossing adjacent to their main gate, which is always under their control via gate guards or camera surveillance from their control room which is staffed 24/7. AltaGas must propose a plan which meets the intent of the language and meets the state requirements under WAC 480-75-270 and RCW 19.122.035.

Finding 2 Response

AltaGas' Proposed Resolution

AltaGas will prepare written documentation of how this portion of pipeline is protected via surveillance, signage, and routine inspection as well as participation in the one-call system. This will be completed no later than 60 days from submittal of this letter.

Finding 3

AltaGas needs to amend the manual to indicate how they determine the MOP for their pipeline and include a calculation of the actual MOP per 49 CFR §195.406. AltaGas was unable to produce this document during the inspection. AltaGas brought in their engineer during the inspection to discuss the rule. After this discussion, AltaGas was going to have their engineer re-create the documentation per §195.406. Additionally AltaGas could not locate the hydrotest records for their pipeline. They are conferring with the former operator, Chevron, to see if these records can be found. It may be that AltaGas will need to re-hydrotest their pipeline per 49 CFR §195 Subpart E and WAC 480-75-420 if these documents cannot be located.

Finding 3 Response

AltaGas' Proposed Resolution

The MOP has been calculated, and the method of calculation is documented. This is appended to the facility operations manual submitted to WUTC via the electronic document submittal system as of 30 January 2015.

Finding 4

AltaGas amended its manual during the inspection to ensure an annual submission, however, AltaGas also must send updated mapping to NPMS as the current mapping does not include the regulated pipe to and from the tanks, T1 and T2.

Finding 4 Response

AltaGas' Proposed Resolution

AltaGas is in the process of obtaining specific GIS data and will have this updated information uploaded into the online mapping system when available. This will be completed no later than 60 days from submittal of this letter.

Finding 5

Per area of concern 3 above, AltaGas believes the MOP of their pipeline will be over 250 psi when re-calculated by their engineer (note, hydrotest records confirming this MOP must be kept by the operator for the life of the pipeline). As such, AltaGas must submit mapping to the UTC per RCW 81.88.080 which conforms to specifications developed by the commission.

Finding 5 Response

AltaGas' Proposed Resolution

The calculated MOP does not exceed the reporting threshold of 250 psig and therefore additional mapping per Washington State rules is not required.

Finding 6

AltaGas has not submitted its procedural manual (O&M manual) per 480-75-660(2). During the inspection, AltaGas was informed of this requirement and what constitutes their O&M manual. AltaGas must submit these documents to the UTC by January 31, 2015.

Finding 6 Response

AltaGas' Proposed Resolution

The facility operations manual has been submitted to WUTC via the electronic document submittal system as of 30 January 2015. In addition to the operations manual, AltaGas submitted as a separate package certain maintenance and inspection procedures (MIPs) that support the operations manual.

Finding 7

In evaluating the current AltaGas Drug and Alcohol Plan, it became apparent that significant improvements to the plan were necessary in order to meet the code requirements of 49 CFR §199 and §40. Examples of other drug and alcohol plans were reviewed showing the necessary language required in the plan and why revisions were necessary to the current AltaGas plan. AltaGas must revise its current plan to comply with §199 and §40. This plan must also be submitted as part of the procedures manual as noted in the area of concern 6 above.

Finding 7 Response

AltaGas' Proposed Resolution

A compliant drug and alcohol plan has been prepared and has been submitted to WUTC via the electronic document submittal system as of 30 January 2015.

David D. Lykken, WUTC

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AltaGas Facilities (U.S.) Inc.

AltaGas is fully committed to ensuring the safety of our community and the above responses reinforce this commitment. Should you have any questions on the above, please contact Andrew Gamble at (360) 384-1701.

Sincerely,



Mark A. Moses

Vice President and Controller

AltaGas Facilities (U.S.) Inc.

cc: David Harris, Chief Operating Officer, AltaGas, Ltd.
David Zoobkoff, Divisional Vice President Operations-Gas, AltaGas Ltd.
Andrew Gamble, Operations Manager, Petrogas Ferndale Terminal