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November 9, 2017

Mr. Sean C. Mayo  
Pipeline Safety Director  
Washington Utilities and Transportation Commission  
1300 S. Evergreen Park Dr. S.W.  
P.O. Box 47250  
Olympia, Washington 98504-7250

**RECEIVED**  
State of Washington  
**NOV - 9 2017**  
UTC  
Pipeline Safety Program

**RE: Inspection Response Letter  
2017 Hazardous Liquid Integrity Management Program Inspection – Tidewater Terminal Company,  
Snake River Terminal (Insp. No. 7232)  
Tidewater Terminal Company  
671 Tank Farm Road  
Pasco, Washington 99301**

Dear Mr. Mayo,

The Washington Utilities and Transportation Commission (UTC) conducted a Hazardous Liquid Integrity Management Program Inspection of the Snake River Terminal and associated pipelines from September 12-14, 2017. The inspection included a records review and inspection of the pipeline and breakout tank facilities.

Probable violations identified during the inspection were described in UTC's letter dated October 9, 2017. UTC's letter requests Tidewater review the inspection report and respond in writing by November 13, 2017 with a description of how and when Tidewater plans to bring the probable violations into full compliance.

Tidewater has completed its review of the inspection report and has developed a plan to address each of the probable violations. Proposed corrective actions and due dates for each of the probable violations are described in the attached spreadsheet. Know that we have already initiated work related to completing many of the corrective actions, and will also track each of the corrective actions through closure using our audit corrective action tracking system.

Tidewater appreciates UTC's assistance relative to pipeline compliance and trust the proposed corrective actions are sufficient to bring the probable violations into full compliance. Please contact the undersigned at [bill.collins@tidewater.com](mailto: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 that reads 'William H. Collins'.

William H. Collins  
Director, EHS&S

Cc: Snake River Terminal Files

Probable Violation	Proposed Corrective Action	Due Date
<p>Tidewater Terminal Company's (Tidewater) Integrity Management Plan (IMP) does not incorporate the breakout tanks inside the Snake River Terminal (SRT) as part of the integrity process for high consequence areas (HCAs). The code requires Tidewater to have a process to identify which segments could affect an HCA. The IMP only reflects the pipeline segments--not the breakout tanks inside the terminal. Tidewater must revise their IMP and include processes to identify facilities, including breakout tanks, which could affect HCAs. Note, Tidewater has determined, given their corporate culture and proximity to the Snake River, all their pipeline assets are within HCAs (this includes pipeline segments that may not meet the code definition of an HCA).</p>	<p>The introduction section of the plan will be moved from Section 2 to the foreword of the manual. Verbiage will be added to show that the plan applies to both the pipelines and the associated regulated facilities that include the breakout tanks.</p>	<p>12/31/2017</p>
<p>Tidewater's IMP does not incorporate the breakout tanks inside the SRT as part of the integrity process for HCAs. Tidewater must revise their IMP and include the risk analysis for breakout tanks at the SRT. Note, Tidewater has determined, given their corporate culture and proximity to the Snake River, all their pipeline assets are within HCAs (this includes pipeline segments that may not meet the code definition of an HCA).</p>	<p>The introduction section of the plan will be moved from Section 2 to the foreword of the manual. Verbiage will be added to show that the plan applies to both the pipelines and the associated regulated facilities that include the breakout tanks.</p>	<p>12/31/2017</p>
<p>Tidewater's IMP Section 3.3 Risk Assessment Results states, "sandy soil around Tidewater's pipeline systems would largely mitigate the overland spread of liquid pool". Based on field observations, this may be accurate, however, Tidewater does not have a procedure or process established to perform spill volume analysis along the pipeline. This would include fixed spacing along the lines for release points which would determine the spill volumes based on flow rates, response times, soil type and topography including local features such as drainage ditches. Tidewater needs to define the process to determine the spill volumes and liquid spread along the pipelines at defined intervals useful for emergency response.</p>	<p>Tidewater will revise the IMP and define the process to determine the spill volumes and liquid spread along the pipelines at defined intervals useful for emergency response.</p>	<p>6/30/2018</p>

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<p>Tidewater's IMP Section 3.3 Risk Assessment Results states, "sandy soil around Tidewater's pipeline systems would largely mitigate the overland spread of liquid pool". Based on field observations this may be factual, however, Tidewater does not have a procedure or process established to perform spill volume analysis along the pipeline. This would include fixed spacing along the lines for release points which would determine the spill volumes based on flow rates, response times, soil type and topography including local features such as drainage ditches. As such, there are no records to substantiate the statement in Section 3.3. Tidewater needs to define the process to determine the spill volumes and liquid spread along the pipelines at defined intervals useful for emergency response and keep appropriate records to verify the results.</p>	<p>Tidewater will perform the analysis required to determine the spill volumes and liquid spread along the pipelines at defined intervals useful for emergency response. The IMP will be revised to include the reference to this analysis.</p>	<p>6/30/2018</p>
<p>Tidewater's IMP Section 3.3 Risk Assessment Results states, "sandy soil around Tidewater's pipeline systems would largely mitigate the overland spread of liquid pool". Based on field observations this may be factual, however, Tidewater does not have a procedure or process established to perform spill volume analysis along the pipeline. This would include fixed spacing along the lines for release points which would determine the spill volumes based on flow rates, response times, soil type and topography including local features such as drainage ditches. Tidewater needs to define the process to determine the spill volumes and liquid spread along the pipelines at defined intervals useful for emergency response.</p>	<p>Tidewater will revise the IMP and define the process to determine the spill volumes and liquid spread along the pipelines at defined intervals useful for emergency response.</p>	<p>6/30/2018</p>



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<p>Tidewater's IMP Section 3.3 Risk Assessment Results states, "sandy soil around Tidewater's pipeline systems would largely mitigate the overland spread of liquid pool". Based on field observations, this may be accurate, however, Tidewater does not have a procedure or process established to perform spill volume analysis along the pipeline. This would include fixed spacing along the lines for release points which would determine the spill volumes based on flow rates, response times, soil type and topography including local features such as drainage ditches. As such, there are no records to substantiate the statement in Section 3.3. Tidewater needs to determine the spill volumes and liquid spread along the pipelines at a defined interval useful for emergency response and keep appropriate records to verify the results.</p>	<p>Tidewater will perform the analysis required to determine the spill volumes and liquid spread along the pipelines at defined intervals useful for emergency response. The IMP will be revised to include the reference to this analysis.</p>	<p>6/30/2018</p>
<p>Tidewater does not refer to or document a water transport analysis in the IMP. Tidewater has completed a worst case discharge analysis (WITT/O'Brien's--October 2013) for both a tank failure and a pipeline failure (SRT to BNSF) and documented them in the Integrated Facility Response Plan. Both scenarios show product transport downstream and time frames. For any pipeline scenario, this analysis would apply and would be applicable. However, this analysis and documentation of the rationale behind the water transport analysis needs to be included in the IMP. As Tidewater has a completed record for the analysis, there is not a finding for deficient records.</p>	<p>Section 3.2 "Risk Assessment" of the IMP will be revised to include the process for the analysis of water transport of hazardous liquids to determine the extent of commodity spread and its effect on HCAs.</p>	<p>12/31/2017</p>
<p>Tidewater does not refer to or document an air transport analysis in the IMP. Tidewater has completed an Accidental Spill Emission Modeling Technical Memorandum (Landau Associates February 2015). For a gasoline pipeline scenario, this analysis would apply and would be applicable. However, this analysis and documentation of the rationale behind the vapor dispersion analysis needs to be included in the IMP. As Tidewater has a completed record for the analysis, there is not a finding for deficient records.</p>	<p>Section 3.2 "Risk Assessment" of the IMP will be revised to include the process for the analysis of the dispersion of vapors from the release of highly volatile liquids and volatile liquids to determine effects on HCAs.</p>	<p>12/31/2017</p>

Probable Violation	Proposed Corrective Action	Due Date
<p>Reviewed Tidewater's IMP Section 4.1 Performance Measures and 7.0 Continuing Evaluation and Assessment. Section 4.1 states that Tidewater follows guidance given in 49 CFR 195 Appendix C for performance metrics. However, the performance metrics listed in this section do not allow for a Tidewater to effectively assess its integrity program. For instance, the first two bulleted metrics in Section 4.1 are</p> <ul style="list-style-type: none"> <li>• A performance measurement goal to reduce the total volume of unintended releases with an ultimate goal of zero. Tidewater hasn't had an unintended release since 2000 (this is the only recorded release). This is not a meaningful metric to determine the effectiveness of the program as there is no ability to measure if there is no data.</li> <li>• A performance measurement goal to track and evaluate the effectiveness of the operator's community outreach activities. Tidewater has not established a metric to measure performance of its community outreach activities.</li> </ul> <p>In short, aside from the required PHMSA metrics on the annual report, Tidewater has not established meaningful metrics to measure program effectiveness. Tidewater needs to establish meaningful metrics. Tidewater should evaluate the areas of 195 Appendix C criteria for performance measurement.</p>	<p>Using the guidance in 49 CFR 195 Appendix C, Tidewater will develop applicable IMP performance metrics that will be used to measure the effectiveness of the program. The IMP will be revised to outline these performance metrics.</p>	<p>12/31/2017</p>
<p>Reviewed Tidewater's IMP Section 4.1 Performance Measures. Section 4.1 states that Tidewater follows guidance given in 49 CFR 195 Appendix C for performance metrics.</p> <p>In short, aside from the required PHMSA metrics on the annual report, Tidewater has not established meaningful metrics to measure program effectiveness. Tidewater must establish meaningful metrics and record the findings and results. Tidewater should evaluate the areas of 195 Appendix C criteria for performance measurement.</p>	<p>Using the guidance in 49 CFR 195 Appendix C, Tidewater will develop applicable IMP performance metrics that will be used to measure the effectiveness of the program.</p>	<p>12/31/2017</p>