



STATE OF WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

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Sent Via Email and First Class Mail

October 8, 2020

Bill Collins
Director EHS&S
Tidewater Terminal Company
6305 Northwest Old Lower River Road
Vancouver, WA 98660

RE: 2020 Hazardous Liquid Integrity Management Program Inspection – Tidewater Terminal Company – (Insp. No. 8077)

Dear Mr. Collins:

Staff from the Washington Utilities and Transportation Commission (staff) conducted an Integrity Management Program inspection of Tidewater Terminal Company (Tidewater) from August 3, 2020 to August 6, 2020. This inspection included a records review, procedures review and inspection of the pipeline facilities.

Our inspection indicates six probable violations as noted in the enclosed report.

Your response needed

Please review the attached report and respond in writing by November 9, 2020. The response should include how and when you plan to bring the probable violations into full compliance.

What happens after you respond to this letter?

The attached report presents staff's decision on probable violations and does not constitute a finding of violation by the commission at this time.

After you respond in writing to this letter, there are several possible actions the commission, in its discretion, may take with respect to this matter. For example, the commission may:

- Issue an administrative penalty under [RCW 81.04.405](#); or
- Issue a complaint under [RCW 81.88.040](#), seeking monetary penalties, changes in the company's practices, or other relief authorized by law, and justified by the circumstances.

Any pipeline company that violates any pipeline safety provision of any commission order, or any rule in this chapter including those rules adopted by reference, or chapter [81.88](#) RCW is subject to a civil penalty not to exceed \$213,268 for each violation for each day that the violation persists. The maximum civil penalty for a related series of violations is \$2,132,679; or

- Consider the matter resolved without further commission action.

We have not yet decided whether to pursue a penalty or complaint in this matter. Should the commission decide to assess a penalty or initiate a complaint, your company will have an opportunity to respond and formally present its position.

If you have any questions or if we may be of any assistance, please contact Dennis Ritter at (360) 402-0066. Please refer to the subject matter described above in any future correspondence pertaining to this inspection.

Sincerely,

Sean C. Mayo
Pipeline Safety Director

Enclosure

cc: Josh Jarman, Quality and Compliance Manager, Tidewater
Kelly Harding, Terminal Operations Manager, Tidewater
Mark Davis, General Manager, Tidewater
Ron McClary, Terminal Maintenance Manager, Tidewater
Stephanie Syring, Environmental Manager, Tidewater

UTILITIES AND TRANSPORTATION COMMISSION
2020 Hazardous Liquid Pipeline Safety Inspection
Tidewater Terminal Company

The following probable violations of Title 49 CFR Part 195 were noted as a result of the 2020 inspection of the Tidewater Terminal Company. The inspection included a random selection of records, operations, maintenance and emergency response manuals, and field inspection of the pipeline facilities.

PROBABLE VIOLATIONS

1. **49 CFR §195.452(f)(3) Pipeline integrity management in high consequence areas.**
(f) What are the elements of an integrity management program? An integrity management program begins with the initial framework. An operator must continually change the program to reflect operating experience, conclusions drawn from results of the integrity assessments, and other maintenance and surveillance data, and evaluation of consequences of a failure on the high consequence area. An operator must include, at minimum, each of the following elements in its written integrity management program:
 - (3) *An analysis that integrates all available information about the integrity of the entire pipeline and the consequences of a failure (see paragraph (g) of this section);*

IA Question: Does the process include approaches to identify and evaluate the risks of facilities that can affect HCAs? IM.FACIL.RISKANAL.P

Finding(s):

Tidewater's Integrity Management Plan (Plan) does not incorporate the breakout tanks at Snake River Terminal (SRT) into their risk assessment. This same process was missing during the previous commission Integrity Management inspection (ID 7232). The Plan should describe specifically how risk assessment for breakout tanks will be conducted.

2. **49 CFR §195.452(f)(5) Pipeline integrity management in high consequence areas.**
(f) What are the elements of an integrity management program? An integrity management program begins with the initial framework. An operator must continually change the program to reflect operating experience, conclusions drawn from results of the integrity assessments, and other maintenance and surveillance data, and evaluation of consequences of a failure on the high consequence area. An operator must include, at minimum, each of the following elements in its written integrity management program:
 - (5) *A continual process of assessment and evaluation to maintain a pipeline's integrity (see paragraph (j) of this section);*

IA Question: Does the process include requirements for performing continual evaluations of facility integrity? IM.FACIL.PERIODEVAL.P

Finding(s):

Tidewater's Plan does not include a process to perform continual assessment and evaluation of the breakout tanks at the SRT.

3. **49 CFR §195.452(f)(6) Pipeline integrity management in high consequence areas.**

(f) What are the elements of an integrity management program? An integrity management program begins with the initial framework. An operator must continually change the program to reflect operating experience, conclusions drawn from results of the integrity assessments, and other maintenance and surveillance data, and evaluation of consequences of a failure on the high consequence area. An operator must include, at minimum, each of the following elements in its written integrity management program:

(6) Identification of preventive and mitigative measures to protect the high consequence area (see paragraph (i) of this section);

IA Question: Does the process include requirements for identification of facility preventive measures to protect the HCAs?

IM.FACIL.PMMPREVENTIVE.P

Finding(s):

Tidewater's Plan does not include a process to identify preventive measures to protect high consequence areas from the risks associated with the breakout tanks at SRT.

4. **49 CFR §195.452(f)(6) Pipeline integrity management in high consequence areas.**

(f) What are the elements of an integrity management program? An integrity management program begins with the initial framework. An operator must continually change the program to reflect operating experience, conclusions drawn from results of the integrity assessments, and other maintenance and surveillance data, and evaluation of consequences of a failure on the high consequence area. An operator must include, at minimum, each of the following elements in its written integrity management program:

(6) Identification of preventive and mitigative measures to protect the high consequence area (see paragraph (i) of this section);

IA Question: Does the process include requirements for identification and implementation of facility mitigative measures to protect the HCAs?

IM.FACIL.PMMMITSIGATIVE.

Finding(s):

Tidewater's Plan does not include a process to identify mitigative measures to protect high consequence areas from the risks associated with the breakout tanks at SRT.

5. **49 CFR §195.452(l)(1)(ii) Pipeline integrity management in high consequence areas.**

(l) What records must an operator keep to demonstrate compliance?

(1) An operator must maintain, for the useful life of the pipeline, records that demonstrate compliance with the requirements of this subpart. At a minimum, an operator must maintain the following records for review during an inspection:

(ii) Documents to support the decisions and analyses, including any modifications, justifications, deviations and determinations made, variances, and actions taken, to implement and evaluate each element of the integrity management program listed in paragraph (f) of this section.

IA Question: Do the records indicate the methods to measure program effectiveness provide effective evaluation of program performance and result in program improvements where necessary? IM.QA.IMPERFEFECTIVE.R

Finding(s):

Records were insufficient to indicate that program effectiveness is being evaluated. Section 4.1 of the Plan has a list of measures to assess effectiveness but it is unclear if Tidewater is collecting all of this data and how they use the data to evaluate effectiveness of the Integrity Management Program.

6. **49 CFR §195.452(I)(1)(ii) Pipeline integrity management in high consequence areas.**

(1) What records must an operator keep to demonstrate compliance?

(1) An operator must maintain, for the useful life of the pipeline, records that demonstrate compliance with the requirements of this subpart. At a minimum, an operator must maintain the following records for review during an inspection:

(ii) Documents to support the decisions and analyses, including any modifications, justifications, deviations and determinations made, variances, and actions taken, to implement and evaluate each element of the integrity management program listed in paragraph (f) of this section.

IA Question: Do the records indicate that the analysis of risk of facilities has been performed as required? IM.FACIL.RISKANAL.R

Finding(s):

Tidewater had no records to indicate that risk analysis has been completed for the breakout tanks at SRT. Tidewater regularly conducts a risk analysis for the pipelines but no records were available for breakout tank risk analysis.