

October 8, 2003

Bobby Talley
District Manager
BP Cherry Point Refinery
2201 Lind Avenue SW, Suite # 270
Renton, Washington 98055

Dear Mr. Talley:

Subject: 2003 Hazardous Liquids Pipeline Safety Inspection

The Washington Utilities and Transportation Commission (Commission) has the authority to oversee compliance of pipeline safety regulations pertaining to the construction, maintenance, and operation of pipelines transporting hazardous liquids in the state of Washington (RCW 81.88). In addition, the Commission adopts the Code of Federal Regulations (CFR) Title 49, Part 195, and Chapter 480-75 of the Washington Administrative Code (WAC) as the minimum standards.

Commission staff (Staff) met with Mr. Pete Romero, representative for the BP Cherry Point Refinery on September 22 through 26, 2003 to conduct a safety inspection of the 6-inch diameter Butane and 24-inch diameter Crude Oil pipeline facilities from the Cherry Point Refinery to Conoco Phillips, and Terasen facilities.

Enclosed with this letter is Staff's report that summarizes the results of the inspections. Staff found no violations of state or federal pipeline safety regulations during the inspection. However, the report lists four items of concern pertaining to CFR 49, Part 195 and WAC 480-75. The new intrastate hazardous liquid rules WAC 480-75 adopted in July 2002 were applicable to the review of BP Cherry Point Refinery's operation, maintenance and emergency response manuals.

BP Cherry Point Refinery

Docket No. PL-030699

October 8, 2003

Page 2

It must not be assumed that this inspection detected all apparent code violations existing at this time. It is incumbent upon the operator to review its operation to determine whether or not there are other areas of non-compliance.

Please thank the personnel from the BP Cherry Point Refinery especially, Mr. Pete Romero for his professional manner and assistance in completing this inspection.

If you have any questions or concerns, please contact Al Jones, Pipeline Safety Engineer, at (360) 664-1321. Thank you for your cooperation and interest in pipeline safety.

Sincerely,

Alan E. Rathbun
Pipeline Safety Director

Enclosure

cc: Pete Romero

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION
2003 Hazardous Liquids Pipeline Safety Standard Inspection Report
BP Cherry Point Refinery
Docket No. PL-030699

AREAS OF CONCERN

1) **195.402 Procedural manual for operations, maintenance, and emergencies.**

- a) *General. Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations, and emergencies. This manual shall be prepared before initial operations of a pipeline system commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.*

During this inspection, the procedure manuals were in transition from BP Cherry Point Refinery to BP Pipelines (North America). The manuals that are currently under review include: BP's Book #1 - Standard Procedure (including WAC requirements) and Book #2 - Facility Specific and Operations. It is Staff's understanding these manuals will be made available by December 1, 2003.

2) **§195.406 Maximum Operating Pressure**

- (b) *No operator may permit the pressure in a pipeline during surges or other variations from normal operations to exceed 110 percent of the operating pressure limit established under paragraph (a) of this section.*

Findings:

During the field facility inspection, Staff found that the butane launcher at the Cherry Point Refinery was not equipped with a thermal relief device. A thermal relief device was installed downstream of the launcher's mainline valve. When the mainline valve is closed, there is no relief from overpressuring the launcher.

3) **195.581 Which pipelines must I protect against atmospheric corrosion and what coating material may I use?**

- a) *You must clean and coat each pipeline or portion of pipeline that is exposed to the atmosphere, ...*
- b) *Coating material must be suitable for the prevention of atmospheric corrosion.*

During the field inspection, Staff found that atmospheric corrosion was present on the aboveground portion of the 24-inch crude oil and 6-inch butane pipelines at the BP Cherry Point Refinery. Corrosion cells were observed on the 24-inch crude oil pipeline at the interface with a circumferential saddle. BP Cherry Point Refinery should consider consulting with their corrosion control specialist to evaluate the cell depths and remaining wall thickness for adequate strength of material.

4) **WAC 480-75-320 Overpressure Protection**

A company must conduct a surge analysis to ensure that the surge pressure does not exceed one hundred ten percent of the MOP. The pressure relief system must be designed and operated as determined in the surge analysis, at or below the MOP except under surge conditions.

The existing butane pipeline has not been evaluated for possible surge conditions to improve public safety and be in compliance with this regulation.