

U.S. Department of Transportation  
Research and Special Programs Administration  
400 Seventh St., S.W.  
Washington, D.C. 20590

SEP 15 2004

Mr. Robert G. Gorham  
Acting Chief, Pipeline Safety Division  
Office of the State Fire Marshal  
3950 Paramount Boulevard, Suite 210  
Lakewood, CA 90712

Dear Mr. Gorham:

We received Mr. Tong's letter of July 6, 2004, notifying us of the waiver granted by the California State Fire Marshal (CSFM) to Vopak Terminal Los Angeles Inc., (Vopak). CSFM waived selected provisions of paragraph (b)(1) of 49 CFR 195.306, Test medium, for pressure testing Vopak's 16-inch, Line #2 pipeline. The waiver allows Vopak to use fuel oil as the testing medium for this pipeline, which is located entirely in the city of Wilmington, California in Los Angeles County.

You state that this pipeline was successfully tested in 1994 and 1999 using fuel oil as the test medium. Vopak is requesting the waiver to avoid health and safety concerns resulting from mixing water and fuel oil, which could create hydrogen sulfide.

The waiver is necessary because § 195.306(b)(1) requires that, except for offshore pipelines, liquid petroleum that does not vaporize rapidly may be used as the test medium only if, among other requirements, the entire pipeline section under test is outside of cities and other populated areas.

We agree with the conclusion of the CSFM and find that the waiver is not inconsistent with pipeline safety.

Sincerely,  
Stacey L. Gerard  
Associate Administrator  
for Pipeline Safety

OFFICE OF THE STATE FIRE MARSHAL  
Pipeline Safety Division  
DEPARTMENT OF FORESTRY AND FIRE PROTECTION  
3950 Paramount Boulevard, Suite 210  
Lakewood, California 907t2

CERTIFIED MAIL-RETURNED RECEIPT REQUESTED

August 12, 2004

Attn: Richard Huriaux  
Office of Pipeline Safety, Research and Special  
Programs Administration, U.S. Department of Transportation,  
400 Seventh Street, S.W., Room 7128  
Washington D.C., 20590-0001

Dear Mr. Huriaux,

Request for waiver from Part 195.306(b)(1) Test Medium

Operator: Valero Refining Company-California  
3400 East Second Street  
Benicia, CA 94510-1097

Pipeline CSFM #0694 12" #6 Dock Line (2.12 miles)

The above operator has requested a waiver from 49 CFR 195.306(b)(1) for testing their 12" #6 Dock Line using diesel as the testing medium. The pipeline is located in Solano County, California. The pipeline safety regulations in 49 CFR 195.305(b)(1) allow for testing with liquid petroleum that does not vaporize rapidly if the entire pipeline section under test is outside of cities and other populated areas. The pipeline, which travels from the Dock #1 facility and ends within the refinery, is within the city of Benicia. The pipeline operator is requesting to test with product because using water is difficult for them to treat, uses up valuable tankage, would be costly to do. In addition, using diesel would minimize contamination to this pipeline.

California law requires each intrastate pipeline to be pressure tested every 5 years for 4 hours at 125% of MOP. It also gives the State Fire Marshal authority to authorize the use of a liquid petroleum having a flashpoint over 140 degrees Fahrenheit as the test medium.

The pipeline has been previously tested successfully using diesel as the test medium in 1993 and 1999. The flashpoint for the diesel that would be used is 180 degrees Fahrenheit.

A waiver is needed since Section 195.452 Pipeline Integrity Management requires the testing to be conducted per Subpart E, which prohibits testing with product in cities and populated areas. All other conditions under Section 195.306(b) will be met.

Description of Pipeline Systems:

CSFM #0694 #6 Dock Line — Refer to attachments for operating and line specifications.

I find that the proposed waiver is consistent with pipeline safety and is justified.

Subject to your approval, the Office of the State Fire Marshal proposes to grant Valero a waiver from compliance with 49 CFR Part 195.306(b) (1) to take effect 60 days from your receipt of this letter.

Sincerely,  
Glenn L. Tong  
Chief, Pipeline Safety Division

OFFICE OF THE STATE FIRE MARSHAL  
Pipeline Safety Division  
DEPARTMENT OF FORESTRY AND FIRE PROTECTION  
3950 Paramount Boulevard, Suite 210  
Lakewood, California 90712

WAIVER APPROVAL

Michael T. LaCarvera  
Facility manager  
Vopak Terminal Los Angeles Incorporated  
401 Canal Avenue  
Wilmington, California 90744

Dear Mr. La Cavera:

Waiver request to use diesel fuel as test medium Part 195.306(b)(1)

This letter is in response to your petition of June 21, 2004 requesting a waiver from 49 CFR 195.306(b)(1) for testing your pipeline using diesel fuel as the testing medium. The pipeline safety regulations in 49 CFR 195.306(b)(1) allow for testing with liquid petroleum that does not vaporize rapidly if the entire pipeline section under test is outside of cities and other populated areas. This pipeline is located entirely in the city of Benicia.

In your petition, you are requesting to test with diesel fuel to avoid generating 2000 barrels of contaminated water. In addition, using diesel would minimize contamination to this pipeline. This pipeline has been tested successfully in 1999 using diesel fuel as the test medium. Your petition is approved providing with the following conditions:

1. A testing procedure should be developed and available for review.
2. The test medium shall be diesel fuel (flashpoint > 180° F).
3. The Fire Department having jurisdiction must be notified at least three days in advance of the test.
4. During the test, communication must be maintained along the entire pipeline route by mobile telephone or radio.
5. Sufficient equipment (e.g., vacuum trucks, etc.) must be on standby in the event that they are needed should a rupture occur.

Please notify our office in Lakewood by phoning 562/497-9100 as soon as you have a confirmed test date to obtain a test ID# for the test. If you have any questions, please contact Linda Zigler, Pipeline Safety Engineer at (707) 987-2058.

Sincerely,  
Glenn L. Tong  
Chief  
Pipeline Safety Division

Vopak Terminal Los Angeles Inc.  
401 Canal Avenue  
Wilmington, CA 90744

11/04/03

CDF/State Fire Marshal  
Pipeline Safety Division  
3950 Paramount Blvd., Suite 210  
Lakewood, CA 90712

Reference: Pipeline Testing Waiver of Test Medium

Dear Sirs:

Vopak Terminal Los Angeles, Inc. is planning to perform static liquid pressure tests on three of their pipelines that transport hydrocarbon products. We are requesting that written waivers for the test medium to be allowed so that product may be used in place of water.

The following information is applicable to the pressure tests:

Test 1.; CSFM Line # 0506; Test Medium-Fuel Oil Cutter Stock; Flash Point >200 degrees F; Sg 1.04; Viscosity= 41.4 cST; From Berth 189 to Vopak Terminal at 2400 E. Pacific Coast Highway, Wilmington, CA.; Test Pressure 690 psig; SYMS 35,000 ksi; Pipeline length, 16,634 feet.

Test 2.; CSFM Line # 0507; Test Medium-Jet A; Flash Point 107 Degrees F; Gravity API @ 60 deg F-48.8; Viscosity = 3.58 cs @ -20 deg C; From Berth 189 to Vopak Terminal at 2400 E. Pacific Coast Highway, Wilmington, CA.; Test Pressure 530 psig; SYMS 35,000 ksi; Pipeline length, 16,634 feet.

Test 3.; CSFM Line # 0761; Test Medium-Jet A; Flash Point 107 Degrees F; Gravity API @ 60 deg F-46.8; Viscosity 3.58 Gs a -20 deg C; From Vopak Terminal at 2400 E. Pacific Coast Highway, Wilmington, CA to Kinder-Morgan (formerly GATX), Sepulveda Bl., Carson, CA.; Test Pressure 230 psig; SYMS 35,000 ksi; Pipeline length, 5,800 feet.

No concurrent testing will be done. During each test, there will be four pipeline spotters patrolling the pipeline in constant communication with the Hydrotest/Company Representative. During each test a vacuum truck and crew will be on standby at the terminal at 2400 E. Pacific Coast Highway. Ample spill material will be made available to handle a worst-case scenario. The CSFM and LAFD will be notified as required as to the date and time of a test. Before each test, a Company Representative with pipeline spotters will inspect the entire length of the pipeline.

Vopak Terminal Los Angeles, Inc. requests that the test medium be product for Test 1 because of contamination of the product by water. Water mixed with cutter stock produces Hydrogen Sulfide (H<sub>2</sub>S). This presents a health, safety and equipment problem. For Test 2 and Test 3 we request that the test medium be Jet BA" to prevent contamination of Jet Fuel,

Testing will be scheduled as soon as a reply to this, letter is received. Vopak Terminals Los Angeles, Inc. is anticipating completing testing as soon as possible.

All inquiries concerning this matter should be directed to the undersigned.

Sincerely,  
Harry Hill