



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

12300 W. Dakota Ave., Suite 110
Lakewood, CO 80228

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

October 17, 2006

Mr. Chris Maudlin
President
Olympic Pipeline Company
2319 Lind Avenue S.W.
Renton, WA 98057

SENT TO COMPLIANCE REGISTRY
Hardcopy Electronically
of Copies 1 / Date 10/17/06

Re: Corrective Action Order CPF 59505H
Approval of Operator's Request to Lift Pressure Restriction; Closing of Case

Dear Mr. Maudlin:

This responds to your July 10, 2006 letter, in which Olympic Pipeline Company (Olympic) requested approval to increase the operating pressure on all facilities subject to the above-referenced Corrective Action Order issued June 18, 1999 (as amended) (CAO). Olympic's request is governed by the July 25, 2003 Final Amendment to Corrective Action Order (Final Amendment), which restated all outstanding requirements under the CAO and previous amendments as of the date of the Final Amendment. Paragraph 1 of the Final Amendment required Olympic to restrict operating pressure on the Olympic Pipeline to 80 percent of the maximum operating pressure until receiving written authorization from the Director, Western Region, to operate at a higher pressure. Olympic states that it has satisfied all requirements of the Final Amendment and proposes to return the pipeline to normal operation by the end of the year, subject to the approval of this office and certain other conditions set forth in your letter.

In coordination with the Washington Utilities and Transportation Commission (WUTC), PHMSA¹ has overseen compliance with all corrective action requirements under the CAO, including the Final Amendment and all intervening amendments. Olympic has provided regular

¹ The Office of Pipeline Safety became part of the Pipeline and Hazardous Materials Safety Administration (PHMSA), effective February 20, 2005, when PHMSA succeeded the Research and Special Programs Administration (RSPA) as the agency responsible for regulating safety in pipeline transportation and hazardous materials transportation. See, section 108 of the Norman Y. Mineta Research and Special Programs Improvement Act (Public Law 108-426, 118 Stat. 2423-2429 (November 30, 2004)). See also, 70 Fed. Reg. 8299 (February 18, 2005)(redelegating the pipeline safety authorities and functions to the PHMSA Administrator).

reports of its progress under the CAO and amendments, and WUTC inspection personnel and PHMSA engineers have reviewed records and work on the Olympic Pipeline System since issuance of the CAO. PHMSA and WUTC conducted a final field review for CAO compliance during the week of May 1, 2006 and have monitored Olympic's progress in completing the additional integrity management measures described in your July 10, 2006 letter.

On the basis of this record, I find that Olympic has satisfied all requirements of the First Amendment and, pursuant to paragraph 1 of the Final Amendment, hereby lift the pressure restriction on all pipeline facilities subject to the Final Amendment. Effective immediately, and subject to the conditions set forth in your letter and ongoing compliance with applicable PHMSA regulations, Olympic is authorized to return the Olympic Pipeline to maximum operating pressure.

You have explained that Olympic intends to follow its internal Management of Change process in order to safely return the system to normal operations and that this may involve staging the implementation over several months. I expect that Olympic will continue to keep my office and WUTC apprised of its progress and immediately notify us if it encounters any complications in implementing this authorization.

Upon confirmation that Olympic has successfully returned its system to full operating pressure in accordance with this authorization, PHMSA will issue a final notice closing the above-referenced proceeding.

Sincerely,



for Chris Hoidal
Director, Western Region

cc: Compliance Registry
WUTC (A. Rathbun)
PHP-500 (P. Katchmar)