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Michael W. Joynor
Senior VP Operations

Sent via email to Chris.Hoidal@dot.gov

November 4, 2013

Government Letter No.: 29247
APSC File No. 2.11

Mr. Chris Hoidal, Western Region Director
Pipeline and Hazardous Materials Safety Administration
U.S. Department of Transportation
12300 West Dakota Avenue, Suite 110
Lakewood, CO 80228

**RE: Notice of Probable Violation, Proposed Civil Penalty, and Proposed Compliance Order
CPF 5-2013-5008**

Attached please find Alyeska Pipeline Service Company's (Alyeska) detailed response to the Pipeline and Hazardous Materials Safety Administration's (PHMSA) Notice of Probable Violation, Proposed Civil Penalty, and Proposed Compliance Order, CPF 5-2013-5008. This response provides the information and materials to support Alyeska's objections to the Proposed Compliance Order and the Proposed Civil Penalty per 49 CFR §190.208.

On January 8, 2011, TAPS experienced a leak inside the booster pump room at Pump Station (PS) 1. The leak was fully contained and subsequently repaired with no adverse impact to the environment or to the safety of personnel. On February 1, 2011, PHMSA served Alyeska with a Proposed Safety Order. Following informal consultation, PHMSA and Alyeska entered into a Consent Agreement which resolved the concerns PHMSA expressed in the Proposed Safety Order. Two and a half years after the incident, Alyeska received the Notice of Probable Violation, Proposed Compliance Order and Proposed Civil Penalty that is the subject of this matter.

The NOPV does not fully acknowledge the work that Alyeska has performed to improve its Integrity Management program, beginning in 2008 until the present. During that time, Alyeska conducted a corrosivity study, optimized its corrosion inhibition and biocide treatment programs, began modifying pipeline infrastructure, and expanded its Pipe Integrity Testing (PIT) program. Third party assessments of Alyeska's programs were performed and provided to PHMSA. The proposed compliance order instructs Alyeska to conduct work that has already been completed. Because of this, Alyeska requests that the proposed compliance order be withdrawn. Additionally, Alyeska believes the penalty proposed is excessive based on the

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circumstances of this incident; no harm to the environment or personnel. Alyeska requests that the penalty be reduced to an amount more in line with penalties proposed for other operators for similar incidents.

Alyeska is including a second copy of this response with confidential material redacted per 49 CFR §190.208(e). Alyeska has determined that the information contained in the following exhibits number 3 and 10, is confidential in nature. PHMSA must protect the information provided under the Freedom of Information Act, Exemption 4, 5 USC §552(b)(4), trade secrets and commercial or financial information obtained from a person, and privileged or confidential. These exhibits are documents from Alyeska's vendors that contain commercial information already marked as not to be released without written permission from the vendor.

We hope you will find this material helpful and complete. Should you have further questions, please do not hesitate to contact me at (907) 787-8331.

Sincerely,

A handwritten signature in blue ink that reads "Michael W. Joynow". The signature is written in a cursive style.

Attachments: Alyeska Pipeline Service Company's Response to NOPV CPF 5-2013-5008
Redacted Response to NOPV 5-2013-5008

cc: Jon Strawn