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RETURN RECEIPT REQUESTED

August 26, 2016

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

Reference: CPF 5-2016-0010M (Notice of Amendment)

Dear Mr. Hoidal:

This letter is in response to the referenced Notice of Amendment dated July 28, 2016. It is Hawaii Gas' position that it has been meeting the minimum requirements of the DIMP regulation regarding performance measures, evaluating effectiveness, and reducing risk by re-evaluating leaks and prioritizing accordingly. Although Hawaii Gas' DIMP Manual may have lacked sufficient detail in certain procedures, the basic elements of the program were included and the required practice was being performed.

Hawaii Gas performed a DIMP review and revised our DIMP manual on August 12, 2016 based on comments provided in the Notice of Amendment. Hawaii Gas believes that the items listed in the Notice of Amendment are adequately addressed by our revised procedures.

A summary of the Notice of Amendment items and the proposed revisions by Hawaii Gas to address these issues are described below:

1. 49 CFR §192.1007(e) – Measure Performance, Monitor Results, and Evaluate Effectiveness.
Regarding DIMP procedures to measure performance and evaluate effectiveness, Hawaii Gas has amended its DIMP manual for the following sections to account for properly collecting data and measuring performance metrics, properly monitoring results, and properly evaluating effectiveness from an established baseline.
 - DIMP Manual: Section 6.1 “Performance Measurement” & Appendix IThe above documents with highlighted proposed changes are included as Attachment I to this letter.
2. 49 CFR §192.1007(d) – Identify and Implement Measures to Address Risks.
Regarding DIMP procedures to reduce risks, Hawaii Gas has amended its DIMP manual for the following sections to account for identifying and implementing measures with the intent to reduce the risk of failure for all threat categories.
 - DIMP Manual: Section 6.1 “Performance Measurement”

- Additionally, Hawaii Gas will re-evaluate leaks on its distribution system on an on-going basis to assess the priority of leak repairs and to determine if additional actions are necessary. See Hawaii Gas Standard D-980 "Leakage Classification and Action Criteria" for further guidelines.

The above documents with highlighted proposed changes are included as Attachment II to this letter.

3. 49 CFR §192.1007(b) – Identify Threats.

Regarding threat categorization; Hawaii Gas has amended its DIMP manual for the following sections:

- **DIMP Manual: Section 2.1 "DIMP Element Data Activities"**
- **DIMP Manual: Section 3.3.8 "Other Threat"**

The above documents with highlighted changes are included as Attachment III to this letter.

Additional training has also been provided to our inspectors with guidelines on how to properly categorize threats.

Hawaii Gas believes that the above revisions satisfy all the issues cited in the Notice of Amendment. Hawaii Gas is committed to operating a safe and reliable pipeline system, and protecting the public and environment from any potential product release.

Should there be any questions regarding Hawaii Gas' proposed revisions in accordance with the Notice of Amendment, please contact Ed Sawa, Manager, Pipeline Operations, by phone at (808) 594-5661, or by email at esawa@hawaiigas.com.

Sincerely,



Alicia Moy
President & CEO

Enclosures:

Attachment I – DIMP Manual 6.1 & DIMP Manual Appendix I

Attachment II – DIMP Manual 6.1 & HG Standard D-980

Attachment III – DIMP Manual 2.1 & DIMP Manual 3.3.8