

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

January 6, 2009

Mr. Thomas Young
Vice President, Operations
The Gas Company
P.O. Box 3000
Honolulu, HI 96802-3000

CPF 5-2009-0005W

Dear Mr. Young:

On November 17 and 18, 2008, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected The Gas Company's Operations and Maintenance Procedural Manuals and supporting records for their SNG transmission pipeline facilities in Honolulu, Hawaii. Field inspection of these facilities was also conducted.

As a result of the inspection, it appears that you have committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violation is:

1. §192.703 General.

(b) Each segment of pipeline that becomes unsafe must be replaced, repaired, or removed from service.

At the pig receiver station, there is a 35 foot long, “L-shaped”, 8-inch pipe (from end of the receiver back to main line) without adequate support. The concrete foundations for planned supports are present, but there is no interstitial support between the pipe and foundations.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$100,000 for each violation for each day the violation persists up to a maximum of \$1,000,000 for any related series of violations. We have reviewed the circumstances and supporting documents involved in this case, and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to correct the item identified in this letter. Failure to do so will result in The Gas Company being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 5-2009-0005W**. Be advised that all material you submit in response to this enforcement action is subject to being made publicly available. If you believe that any portion of your responsive material qualifies for confidential treatment under 5 U.S.C. 552(b), along with the complete original document you must provide a second copy of the document with the portions you believe qualify for confidential treatment redacted and an explanation of why you believe the redacted information qualifies for confidential treatment under 5 U.S.C. 552(b).

Sincerely,

Chris Hoidal
Director, Western Region
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry
PHP-500 H. Monfared (#122935)