

NOTICE OF AMENDMENT

VIA FEDERAL EXPRESS (FEDEX) – 8726 2779 5540

March 23, 2010

Mr. Mike Joynor
Vice President
Alyeska Pipeline Service Company
900 E. Benson Blvd.
P.O. Box 196660
Anchorage, AK 99519

CPF 5-2010-0011M

Dear Mr. Joynor:

On July 6-9, 2009, July 21, 2009, and August 12, 2009, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected Alyeska Pipeline Service Company's (Alyeska) procedures for operations and maintenance of the Alyeska Fuel Gas Line in Fairbanks and Anchorage, Alaska.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within Alyeska's plans and procedures, as described below:

- 1. 192.481 Atmospheric corrosion control: Monitoring.**
 - (a) Each operator must inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion, as follows:**

If the pipeline is located:	Then the frequency of inspection is:
Onshore	At least once every 3 calendar years, but with intervals not exceeding 39 months
Offshore	At least once each calendar year, but with intervals not exceeding 15 months

Alyeska’s procedures for atmospheric corrosion control are inadequate because they do not: (a) specify all the locations which require atmospheric corrosion inspections; and (b) the atmospheric corrosion inspection frequency is not consistent with §192.481.

During the inspection, Alyeska presented the following documents as their atmospheric corrosion control procedures: (1) FG-79, Operating, Maintenance & Emergency Plans for the Fuel Gas Pipeline, Edition 4, Revision 8, dated August 28, 2008; (2) MP-166-3.03, Facility Corrosion Integrity Monitoring, Revision 9, dated April 25, 2008; and (3) MP-166-3.03-01, Facility Corrosion Integrity Monitoring Engineering and Implementation, Revision 1, dated April 29, 2008.

(a) Alyeska’s procedures specifically list the gas mainline valve bypass piping as being covered by the procedures. However, the procedures remain silent as to the other locations on the Fuel Gas Line which must also be inspected for atmospheric corrosion.

(b) Alyeska’s procedures do not require atmospheric corrosion inspection frequency of at least once every 3 calendar years, but with interval not exceeding 39 months.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.237. Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Compliance Proceedings*. Please refer to this document and note the response options. 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). If you do not respond within 30 days of receipt of this Notice, this constitutes a waiver of your right to contest the allegations in this Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further notice to you and to issue a Final Order.

If, after opportunity for a hearing, your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.237). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 45 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

In correspondence concerning this matter, please refer to **CPF 5-2010-0011M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Dennis Hinnah
Deputy Director, Western Region
Pipeline and Hazardous Materials Safety Administration

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*

cc: PHP-60 Compliance Registry
PHP-500 T. Johnson (#123870)