



U.S. Department  
of Transportation

**Pipeline and Hazardous  
Materials Safety Administration**

400 Seventh Street, S.W.  
Washington, D.C. 20590

MAY 16 2007

**BY CERTIFIED MAIL (RETURN RECEIPT REQUESTED) AND FACSIMILIE (907) 450-5415**

Mr. Rob Shoaf  
Vice President, Regulatory Affairs  
Alyeska Pipeline Service Company  
900 East Benson Blvd.  
Anchorage, AK 99507

**Re: CPF No. 5-2001-0012**

Dear Mr. Shoaf:

Enclosed is the Final Order issued by the Associate Administrator for Pipeline Safety in the above-referenced case. It makes findings of violation and finds that you have completed the actions specified in the Notice required to comply with the pipeline safety regulations. This case is now closed. Your receipt of the Final Order constitutes service of that document under 49 C.F.R. § 190.5.

Sincerely,

James Reynolds  
Pipeline Compliance Registry  
Office of Pipeline Safety

cc: Mr. Chris Hoidal, P.E., Director, Western Region, PHMSA

Enclosure



find that Respondent violated the following sections of 49 C.F.R. Part 192, as follows:

**Item 1:**

**49 C.F.R. §192.179(b)(1)** – The Notice alleged that Respondent violated 49 C.F.R. §192.179(b)(1), which provides:

“(b) Each sectionalizing block valve on a transmission line, other than offshore segments, must comply with the following:

- (1) The valve and the operating device to open or close the valve must be readily accessible and protected from tampering and damage.”

Accordingly, I find that Respondent violated §192.179(b)(1) by allowing the vaults on Respondent’s FGL at Mile Posts 18, 47, and 70 to fill with water, thus covering each lateral “take off” valve inside and rendering it inaccessible. In the case of MP 70, the vault was completely filled with water and frozen solid.

**49 C.F.R. §192.189(a)** – The Notice alleged that Respondent violated 49 C.F.R. §192.189(a), which provides:

“(a) Each vault must be designed so as to minimize the entrance of water.”

Accordingly, I find that Respondent violated §192.189(a) by designing and constructing the vaults on Respondent’s FGL at Mile Posts 18, 47, and 70, in such a manner as to allow the vaults to fill with water, to allow the valves and operating devices inside to be covered by water and, in the case of MP 70, to be encased in ice. Such actions constitute a failure to design the vaults so as to minimize the entrance of water.

**Item 2:**

**49 C.F.R. §192.317(a)** – The Notice alleged that Respondent violated 49 C.F.R. §192.317(a), which provides:

“(a) The operator must take all practicable steps to protect each transmission line or main from washouts, floods, unstable soils, landslides, or other hazards that may cause the pipeline to move or to sustain abnormal loads.”

Accordingly, I find that Respondent violated §192.317(a) for the following reasons. Respondent allowed its normally buried FGL in the vicinity of 84 Mile Hill to become exposed through extensive soil loss with no stable soil beneath it. In addition, the line appeared to be exhibiting settlement that may result in excessive bending and strain (0.5%). This constitutes a failure to take all practicable steps to protect the FGL from hazards that may cause the pipeline to move or sustain abnormal loads.

**49 C.F.R. §192.703(a - b)** – The Notice alleged that Respondent violated 49 C.F.R. §192.703(a - b), which provides:

“(a) No person may operate a segment of pipeline, unless it is maintained in accordance with this subpart.

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

Accordingly, I find that Respondent violated §192.703(a - b) for the following reasons. As of the date of the inspection, Respondent had allowed the FGL at 84 Mile Hill to become exposed with no stable soil beneath it. Furthermore, Respondent had not undertaken any type of analysis to determine if such exposure and lack of support had resulted in excessive bending or strain to the pipeline, nor had it undertaken or scheduled any corrective action to prevent further settlement. I find such inaction constitutes operation of an unsafe segment of pipeline without proper maintenance, repair, replacement or removal from service.

These findings of violation will be considered prior offenses in any subsequent enforcement action taken against Respondent.

### **COMPLIANCE ORDER**

The Notice proposed a compliance order with respect to Items 1 and 2 in the Notice for alleged violations of 49 C.F.R. §§192.179(b)(1), 192.189(a), 192.317(a), and 192.703(a - b). Under 49 U.S.C. §60118(a), each person who engages in the transportation of gas or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under Chapter 601. The Western Region Director has indicated that Respondent has taken the following actions specified in the proposed compliance order:

With respect to Notice Item 1, Respondent has installed above-grade isolation valves between its FGL and the lateral pipelines located at TAPS MP 18, 47 and 70. It now appears that the valves and operating devices serving the lateral pipelines are readily accessible and may be isolated in case of an emergency.

With respect to Notice Item 2, Respondent has reburied the exposed sections of the FGL in the vicinity of 84 Mile Hill. Respondent has also provided an engineering analysis, dated January 22, 2007, that appears to indicate that the movement of the FGL observed during the inspection has not impaired its integrity.<sup>2</sup>

Accordingly, since compliance has been achieved with respect to these violations, the compliance terms are not included in this Order.

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<sup>2</sup> Kiefner & Associates, Inc., *Analysis of Pipeline Integrity Concerns Associated With Shallow Depth of Cover on the TAPS Fuel Gas Line* (Jan. 22, 2007).

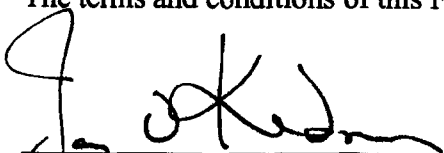
**WARNING ITEM**

With respect to Item 3, the Notice alleged a probable violation of Part 192 but did not propose a civil penalty or compliance order for this item. Therefore, this is considered to be a warning item pursuant to 49 C.F.R. §190.205. The warning was for:

49 C.F.R. §19.605(a) – Failure to timely review and update the FGL Operation and Maintenance Manual and to maintain updated manuals at TAPS Pump Stations 1 through 4.

Respondent presented information in its Response showing that it had taken action toward addressing this Warning Item. Having considered such information, I find nevertheless that this Item constitutes a probable violation under 49 C. F. R. §192.605(a), and Respondent is hereby advised to correct such condition. In the event that PHMSA finds a violation of said item in a subsequent inspection, Respondent may be subject to future enforcement action.

The terms and conditions of this Final Order are effective on receipt.



for  
Jeffrey D. Wiese  
Acting Associate Administrator  
for Pipeline Safety

MAY 16 2007

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Date Issued