



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

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12300 W Dakota Ave , Suite 110
Lakewood, CO 80228

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

September 10, 2008

Mr. John Zager
Union Oil Company of California
909 West 9th Avenue
Anchorage, AK 99501

CPF 5-2008-7004M

Dear Mr. Zager:

On March 24 through 27, 2008, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected Union Oil Company of California (UOCC) procedures for your Cook Inlet Petroleum Pipelines. Specifically, we reviewed the UOCC's "STANDARD OPERATING AND MAINTENANCE PROCEDURES MANUAL FOR HAZARDOUS LIQUID PIPELINES" at your office in Anchorage, Alaska.

On the basis of the inspection, PHMSA identified the following inadequacies within UOCC's operating and maintenance (O&M) procedures, as described below:

1. **§195.50 Reporting accidents.**
An accident report is required for each failure in a pipeline system subject to this part in which there is a release of the hazardous liquid or carbon dioxide transported resulting in any of the following:

(b) Release of 5 gallons (19 liters) or more of hazardous liquid or carbon dioxide, except that no report is required for a release of less than 5 barrels (0.8 cubic meters) resulting from a pipeline maintenance activity if the release is:

UOCC's O&M Manual, page 7, Chart HL1.01, states that an oil spill reporting criteria of fifty (50) barrels for incident reporting to DOT shall be used. Chart HL1.01 does not conform to §195.50 Reporting Accidents. This regulation requires reports for any release of five (5) gallons or more of hazardous liquid, except that no report is required for a release of 5 barrels resulting from a pipeline maintenance activity.

2. §195.54 Accident reports.

(b) Whenever an operator receives any changes in the information reported or additions to the original report on DOT Form 7000-1, it shall file a supplemental report within 30 days.

The O&M Manual, Procedure HL 1.01, page 6, does not specify that a supplemental report must be filed within thirty (30) days if new or additional information related to the release becomes known.

3. §195.422 Pipeline Repairs.

(a) Each operator shall, in repairing its pipeline systems, insure that the repairs are made in a safe manner and are made so as to prevent damage to persons or property.

UOCC's O&M Manual, Table HL9.01A, does not specify how internal corrosion will be mitigated.

4. §195.422 Pipeline Repairs.

(a) Each operator shall, in repairing its pipeline systems, insure that the repairs are made in a safe manner and are made so as to prevent damage to persons or property.

UOCC's O&M Manual, Table HL8 02A, page 110, does not require that industry standard ASME B31G be used to determine and limit the pipeline pressure during excavation of corrosion defects, or 65% of the operating pressure, whichever is less.

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 [number of days] 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 5-2008-7004M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,



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

cc: PHP-60 Compliance Registry
PHP-500 B.Flanders (#'s 122013, 120665, 120666, 120667, 120668, 120669)

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