

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

March 16, 2016

Mr. Jared Green
President
Alaska Pipeline Company
3000 Spenard Road
Anchorage, AK 99518

CPF 5-2016-0002M

Dear Mr. Green:

Between October 27, 2014 and January 8, 2015, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected Alaska Pipeline Company (APC) procedures for operations and maintenance in Anchorage, Alaska.

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

- 1. § 192.605 Procedural manual for operations, maintenance, and emergencies.**
 - (b) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.**
 - (1) Operating, maintaining, and repairing the pipeline in accordance with each of the requirements of this subpart and subpart M of this part.**

At the time of the inspection, APC did not provide a procedure for determining the maximum allowable operating pressure in accordance with § 192.619 *Maximum allowable operating pressure: Steel or plastic pipelines*. A procedure for determining the maximum allowable operating pressure in accordance with 49 C.F.R. Part 192, subpart L, § 192.619 is required by § 192.605(b)(1).

2. § 192.605 Procedural manual for operations, maintenance, and emergencies.

(b) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.

(5) Starting up and shutting down any part of the pipeline in a manner designed to assure operation within the MAOP limits prescribed by this part, plus the build-up allowed for operation of pressure-limiting and control devices.

At the time of the inspection, APC did not provide a procedure for starting up and shutting down any part of the pipeline in a manner designed to assure operation within the MAOP limits prescribed by this part, plus the build-up allowed for operation of pressure-limiting and control devices.

3. § 192.605 Procedural manual for operations, maintenance, and emergencies.

(b) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.

(8) Periodically reviewing the work done by operator personnel to determine the effectiveness, and adequacy of the procedures used in normal operation and maintenance and modifying the procedures when deficiencies are found.

Alaska Pipeline Company did not modify its procedure manual of operations, maintenance, and emergencies as recommended by its investigation of a near miss occurrence. An APC letter dated May 10, 2011, Subject: "Recommended modifications to ENSTAR/APC procedures to enhance Contractor Safety working around Transmission Lines" contained several recommendations for modifications to company protocols and Standard Operating Procedures. These recommendations were a result of an APC investigation regarding a near miss which was discovered by APC on April 28, 2011. At the time of the PHMSA's inspection the Standard Operating Procedures had not been modified as recommended.

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.

It is requested (not mandated) that APC maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Chris Hoidal, Director, Western Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 5-2016-0002M** 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

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

cc: PHP-60 Compliance Registry
PHP-500 Johnson (#147583)