

WARNING LETTER

VIA FED EX – TRACKING # 7783 9512 7666

February 9, 2017

Ms. Alicia Moy
President & CEO
Hawaii Gas
745 Fort Street Mall, Ste. 1800
Honolulu, HI 96813

CPF 5-2017-0002W

Dear Ms. Moy:

On February 22-26, 2016, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected your Oahu Natural Gas distribution system in Oahu, Hawaii.

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

- 1. §192.355 Customer meters and regulators: Protection from damage.**
(b) Service regulator vents and relief vents. Service regulator vents and relief vents must terminate outdoors, and the outdoor terminal must— (1) Be rain and insect resistant; (2) Be located at a place where gas from the vent can escape freely into the atmosphere and away from any opening into the building; and (3) Be protected from damage caused by submergence in areas where flooding may occur.

Service regulator vents were found to be near building openings. The vent from service regulator (meter #127137) was closer than 18" to a window air-conditioner. This service regulator was located at 528 Manancia Place, Honolulu, Hawaii. Additionally, a service regulator vent at 2865A Hapue Loop, Halawa Heights, Oahu, Hawaii was also noted to be near a window. These conditions and other similar ones need to be corrected.

2. **§192.195 Protection against accidental over pressuring.**

(b) Additional requirements for distribution systems. Each distribution system that is supplied from a source of gas that is at a higher pressure than the maximum allowable operating pressure for the system must— (1) Have pressure regulation devices capable of meeting the pressure, load, and other service conditions that will be experienced in normal operation of the system, and that could be activated in the event of failure of some portion of the system; and (2) Be designed so as to prevent accidental overpressuring.

The monitor regulator at regulator station R-16 Middle & N King Street in Honolulu, Hawaii was not functioning at the time of inspection, due to dirty plugged sensing lines. The operator felt that dirt was interfering with the function of the pilot of the monitor regulator. A non-functioning monitor regulator would not prevent accidental over-pressuring the system, should the worker regulator fail. This condition and other similar conditions at other regulator stations must be corrected.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$205,638 per violation per day the violation persists up to a maximum of \$2,056,380 for a related series of violations. For violation occurring between January 4, 2012 to August 1, 2016, the maximum penalty may not exceed \$200,000 per violation per day, with a maximum penalty not to exceed \$2,000,000 for a related series of violations. For violations occurring prior to January 4, 2012, the maximum penalty may not exceed \$100,000 per violation per day, with a maximum penalty not to exceed \$1,000,000 for a 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(s) identified in this letter. Failure to do so will result in Hawaii Gas 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 5-2017-0002W**. 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 D. Hassell (#151680)