

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

August 10, 2017

Mr. Thomas Barrett
President & CEO
Alyeska Pipeline Service Company
PO Box 196660
Anchorage, AK 99519

CPF 5-2017-5020W

Dear Mr. Barrett:

On November 3, 2016, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected your Alyeska Pipeline Service Company (APSC) facilities located at Pump Station Number Nine, 11 miles south of Delta Junction, Alaska on the Richardson Highway.

As a result of the inspection, it is alleged that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The item inspected and the probable violation is:

- 1. §195.402 Procedural manual for operations, maintenance, and emergencies.**
 - (a) *General.* Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to insure that the manual is effective. This manual shall be prepared before initial operations of**

a pipeline system commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.

During the records review of quarterly tank inspection tasks completed for Pump Station Nine crude relief tank, TK-190, it became evident that the Third Quarter 2016 inspection was not conducted in accordance with APSC Safe Operating Procedure 3.5.17 (Procedure). The September 2016 APSC work order #161022976 reflects that no tank level measurements were recorded as required by the Procedure.

A review of the previous and the subsequent inspections verified that the Third Quarter 2016 inspection documentation error was a singular occurrence and was not a systemic or recurring issue. The subsequent inspection was conducted and recorded per the APSC Procedure.

As of April 27, 2017, under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$209,002 per violation per day the violation persists up to a maximum of \$2,090,022 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 identified in this letter. Failure to do so will result in Alyeska Pipeline Service Company 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 5-2017-5020W**. 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,

Kim West
Acting Director, Western Region
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry
PHP-500 M. Chard (#153634)
Mr. Rod Hanson, Sr. Vice-President, Operations & Maintenance, Alyeska