



U.S. Department
of Transportation

Pipeline and Hazardous Materials
Safety Administration

12300 W. Dakota Ave., Suite 110
Lakewood, CO 80228

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

April 8, 2019

Mr. Alan M. Oshima
President & Chief Executive Officer
Hawaiian Electric Company, Inc.
900 Richards Street
Honolulu, Hawaii 96813

**RE: CPF 5-2018-6001S
Case Closure**

Dear Mr. Oshima:

On May 18, 2018, the Pipeline and Hazardous Materials Safety Administration (PHMSA) issued a Consent Order and Consent Agreement (Agreement) to Hawaiian Electric Company, Inc. (HECO). The Agreement required HECO to implement certain corrective measures to address the safety concerns with the Waiiau Pipeline, which transports low sulfur fuel oil from Barbers Point Tank Farm (BPTF) to the Waiiau Power Plant in Pearl City, Hawaii.

The corrective measures required by the Agreement are as follows: (1) perform In-Line inspections (ILI) using alternate technologies (magnetic flux leakage and ultrasonic technologies); (2) prepare a corrosion risk model incorporating all susceptible corrosion risk factors, and incorporate the risk model into HECO's integrity management plan; (3) investigate, through calibration digs and anomaly assessments, at least four ILI anomalies that exceed 10% of the nominal wall thickness but do not exceed 35% of the nominal wall thickness; (4) investigate, through calibration digs and anomaly assessments, all ILI anomalies that exceed 35% nominal wall thickness; and (4) submit quarterly reports detailing all available data and results from the testing and evaluations required by the Agreement.

On several occasions between November and December 2018, PHMSA personnel conducted field inspections of the Waiiau Pipeline to ensure HECO's compliance with the Agreement. Based on the inspections, and a review of the required submittals from HECO, PHMSA has determined that HECO is in compliance with the Agreement.

The Agreement required HECO to continue implementing the corrective measures contained therein until they were all completed, or until HECO obtained a Special Permit for operation

of the Waiiau Pipeline. HECO was granted a Special Permit for operation of the Waiiau Pipeline (PHMSA-2017-0155) on October 2, 2018. Accordingly, HECO has successfully completed the terms of the Agreement and this case is now closed with no further enforcement action with respect to the matters involved in this case.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Hoidal". The signature is fluid and cursive, with a large initial "C" and "H".

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

cc: PHP-60 Compliance Registry
PHP-500 R. Guisinger 159059