



U.S. Department
of Transportation
**Pipeline and Hazardous
Materials Safety
Administration**

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

WARNING LETTER

VIA E-MAIL TO MR. ROBERT ISLER

April 14, 2021

Mr. Robert Isler
Vice President, Power Supply
Hawaiian Electric Company, Inc.
P.O. Box 2750
Honolulu, HI 96840

CPF 5-2021-009-WL

Dear Mr. Isler:

During the weeks of September 9 through 11, and 14 through 18, 2020, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code (U.S.C.), inspected the Hawaiian Electric Company Inc.'s (HECO) Waiau and Kahe pipelines including records and procedures, located in Honolulu County, 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 (CFR). The items inspected and the probable violations are:

- 1. § 194.107 - General response plan requirements.**
 - (a) ...**
 - (c) Each response plan must include:**
 - (1) A core plan consisting of—**
 - (i) ...**

(ix) Drill program—an operator will satisfy the requirement for a drill program by following the National Preparedness for Response Exercise Program (PREP) guidelines. An operator choosing not to follow PREP guidelines must have a drill program that is equivalent to PREP. The operator must describe the drill program in the response plan and OPS will determine if the program is equivalent to PREP.

HECO's response plan records fail to demonstrate that it is meeting all the requirements for the triennial exercise of the entire response plan.

The records for the 12 qualified individual (QI) notification exercises fail to demonstrate that all QIs are being called when conducting notification tests. Specifically, QI notification drills held on January 9, June 19 and August 28 of 2018, and March 20 and September 30 of 2019, failed to demonstrate that all qualified individuals were part of the notification exercises.

Additionally, the June 19, 2018, notification record states the same information (verbatim) as the January 9, 2018 notification record during which an actual release occurred that prompted the notification. It appears the operator copied and pasted the information from the January 9 release into the June 19 records as no release occurred on June 19, 2018.

The announced tabletop exercises records for 2017 to 2019 fail to demonstrate that lessons learned were discussed, documented or implemented.

The unannounced tabletop exercises records contained information that the same drill was performed from 2017 through 2019, each one exercising the emergency procedures. The record titled NPREP Exercise Documentation Form (Self Certification) for the December 5, 2017 unannounced drill has incorrect dates that fail to match the exercise/drill which was performed.

The Self Certification for the December 18, 2018 unannounced drill has recorded conflicting data, including the type of exercise and the core requirements that were exercised. Additionally, the record indicated that a "Lessons Learned" document was attached, however, this attachment was not part of the record provided.

The unannounced exercise of the emergency procedures held on December 5, 2019, indicated lessons learned but no follow-up documentation demonstrated that the lessons learned were implemented.

2. § 195.204 – Inspection general.

Inspection must be provided to ensure that the installation of pipe or pipeline systems is in accordance with the requirements of this subpart. Any operator personnel used to perform the inspection must be trained and qualified in the phase of construction to be inspected. An operator must not use operator personnel to perform a required inspection if the operator personnel performed the construction task requiring inspection. Nothing in this section prohibits the operator from inspecting construction tasks with operator personnel who are involved in other construction tasks.

The operator failed to have records demonstrating the training and experience required for personnel used to perform inspections, pursuant to §195.204.

3. § 195.228 - Welds and welding inspection: Standards of acceptability.

(a) Each weld and welding must be inspected to insure compliance with the requirements of this subpart. Visual inspection must be supplemented by nondestructive testing.

Repair records for B Sleeve installations on the Waiiau Pipeline failed to demonstrate that a visual inspection of each weld was performed, as required by 195.228(a).

The repair records failed to identify who did the visual inspection or whether a visual inspection of the weld was conducted prior to the magnetic particle testing. Records provided could not demonstrate that a visual inspection was performed. HECO contacted the consultant who performed the work, Engineering & Inspections Hawaii (E&I Hawaii), to ask for records of the visual welds. E&I Hawaii would not or could not provide any documentation to demonstrate that the visual inspections occurred, and only provided a statement that the visual weld inspection did occur.

4. §§ 195.402 - Procedural manual for operations, maintenance, and emergencies.

(a) ...

(c) *Maintenance and normal operations.* The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:

(1) ...

(12) Establishing and maintaining liaison with fire, police, and other appropriate public officials to learn the responsibility and resources of each government organization that may respond to a hazardous liquid or carbon dioxide pipeline emergency and acquaint the officials with the operator's ability in responding to a hazardous liquid or carbon dioxide pipeline emergency and means of communication.

HECO's records failed to include any information regarding the responsibility and resources of each government organization that may respond to a hazardous liquid or carbon dioxide pipeline emergency.

Specifically, the following records were reviewed:

1. Honolulu Local Emergency Planning Committee (LEPC) meeting held in June 2019 with the Hawaiian Pipeline Safety Association (HPSA) – The records failed to include any information regarding responsibility and resources.
2. Emergency meeting with the LEPC, held in July 2018 – The records failed to include any information regarding the responsibility and resources of the organizations in attendance,

except for the records for the Honolulu Fire Department (HFD). The records for the HFD failed to have dates associated with them.

3. No records could be provided for the 2017 calendar year.

5. § 195.402 - Procedural manual for operations, maintenance, and emergencies.

(a) ...

(e) **Emergencies.** The manual required by paragraph (a) of this section must include procedures for the following to provide safety when an emergency condition occurs:

(1) ...

(9) **Providing for a post-accident review of employee activities to determine whether the procedures were effective in each emergency and taking corrective action where deficiencies are found.**

The operator had a leak/incident on January 9, 2018 on the Waiiau Pipeline. However, HECO failed to provide records indicating that a post-accident review of employee's activities or actions was performed to determine if the emergency procedures were effective.

6. § 195.403 - Emergency response training.

(a) ...

(c) **Each operator shall require and verify that its supervisors maintain a thorough knowledge of that portion of the emergency response procedures established under 195.402 for which they are responsible to ensure compliance.**

The operator was unable to provide records which demonstrate that its supervisors are trained and knowledgeable of the emergency response procedures for which they are responsible to ensure compliance.

7. § 195.420 - Valve maintenance.

(a) ...

(b) **Each operator shall, at intervals not exceeding 7 1/2 months, but at least twice each calendar year, inspect each mainline valve to determine that it is functioning properly.**

Waiiau pipeline valve records failed to properly document who performed the valve inspections.

Specifically, the inspection records for BV-4, BV-5, BV-6, MOV-900, MOV-901, and MOV-902 for inspection dates of May 28, 2020, June 3, 2020, and June 4, 2020, failed to document who performed the valve inspections.

8. § 195.581 - Which pipelines must I protect against atmospheric corrosion and what coating material may I use?

(a) You must clean and coat each pipeline or portion of pipeline that is exposed to the atmosphere, except pipelines under paragraph (c) of this section.

Areas of aboveground piping failed to be properly cleaned and coated as required by 195.581(a).

All piping exposed to the atmosphere was not cleaned and coated to protect against atmospheric corrosion.

During the field inspection, several areas at the end of the Waiau pipeline were observed to not be protected from atmospheric corrosion. Several aboveground flanges were observed without coating and one valve handle was observed to have active corrosion which could create a hazard to an employee operating the valve.

9. § 195.583 - What must I do to monitor atmospheric corrosion control?

(a) ...

(b) During inspections you must give particular attention to pipe at soil-to-air interfaces, under thermal insulation, under disbonded coatings, at pipe supports, in splash zones, at deck penetrations, and in spans over water.

Records and interviews with HECO staff indicate the thermal insulation blankets on above ground piping are not removed for the atmospheric corrosion inspections.

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$222,504 per violation per day the violation persists, up to a maximum of \$2,225,034 for a related series of violations. For violation occurring on or after July 31, 2019 and before January 11, 2021, the maximum penalty may not exceed \$218,647 per violation per day the violation persists, up to a maximum of \$2,186,465 for a related series of violations. For violation occurring on or after November 27, 2018 and before July 31, 2019, the maximum penalty may not exceed \$213,268 per violation per day, with a maximum penalty not to exceed \$2,132,679. For violation occurring on or after November 2, 2015 and before November 27, 2018, the maximum penalty may not exceed \$209,002 per violation per day, with a maximum penalty not to exceed \$2,090,022.

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 items identified in this letter. Failure to do so will result in Hawaiian Electric Company, Inc. 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 5-2021-009-WL**. 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,

Dustin Hubbard
Director, Western Region, Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry
PHP-500 D. Fehling (#20-173109)