



July 29, 2022

Government Letter No: 50156
APSC File No. 2.07

Mr. Dustin Hubbard, Western Region Director
Pipeline and Hazardous Materials Safety Administration
U.S Department of Transportation
12300 West Dakota Avenue, Suite 110
Lakewood, CO 80228

Subject: Response to CPF 5-2022-031-NOA

Dear Mr. Hubbard,

This letter serves as a response to the Notice of Amendment (CPF 5-2022-031-NOA) sent by the Pipeline and Hazardous Materials Safety Administration (PHMSA) to Alyeska Pipeline Service Company (Alyeska) on June 3, 2022 in regards to the Hazardous Liquid Integrated Inspection PHMSA conducted between March 22-August 13, 2021. As outlined in the Notice of Amendment (CPF 5-2022-031-NOA), PHMSA identified an inadequacy in Alyeska procedure MP-166-3.25, *Atmospheric Corrosion Control Inspection and Monitoring* [herein referred to as MP-166-3.25].

PHMSA's concern regarding MP-166-3.25 was first summarized in PHMSA's Post-Inspection Preliminary Written Findings dated January 13, 2022, specifically, PHMSA's response to Question No. 3 below.

"The Operator's procedure MP-166-3.25 Atmospheric Corrosion Inspection and Monitoring described the inspection and monitoring of crude oil piping exposed to the atmosphere to detect and control atmospheric corrosion. This procedure was inadequate in its explanation of the Operator's process. During the inspection the Operator stated that there was aboveground piping in their system that was piggable, and this aboveground piping was not visually inspected for atmospheric corrosion every 3 years because the Operator believed this requirement was sufficed by completing an ILI of said piping. MP-166-3.25 did not accurately reflect the Operator's atmospheric corrosion inspection program as described to PHMSA during the audit. Additionally, Section 1.2 Scope stated: "The scope of this procedure includes: The removal of insulation blankets from piping to perform visual inspections." However, the procedure did not discuss the removal of insulation blanket from piping to perform visual inspections."

Alyeska responded to PHMSA's written preliminary findings on February 21, 2022 via Government Letter No. 48981 and shared a revised version of MP-166-3.25 containing proactive updates that clarified how insulation and blankets are inspected and how in-line inspection (ILI) is used to detect and monitor atmospheric corrosion. Subsequent conversations with PHMSA's Gabrielle St. Pierre on May 3, 2022 and May 19, 2022 highlighted that Alyeska did not understand PHMSA's comment as written in the Preliminary Written Findings, and therefore our procedure updates did not fully address the concern. Alyeska shared our intent to improve MP-166-3.25 to better demonstrate our program in Government Letter No. 49684 which was shared with PHMSA on May 20, 2022.

On June 3, 2022, Alyeska received Notice of Amendment (CPF 5-2022-031-NOA) containing the following concern:

"§ 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)

(3) Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.

Alyeska's procedure MP-166-3.25 Atmospheric Corrosion Inspection and Monitoring (Procedure) described the inspection and monitoring of crude oil piping exposed to the atmosphere to detect and control atmospheric corrosion. The procedure was inadequate to assure the safe operation of its pipeline facilities. Specifically, Alyeska's Procedure failed to include a process by which it could 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" in order to monitor atmospheric corrosion control, as required by §195.583(b)".

Alyeska's Procedure stated, in relevant part as follows, "[t]he Crude Mainline and Fuel Gas Pipeline ILI fulfills the atmospheric corrosion control inspection requirements for the 48" Crude and 8"/10" Fuel Gas pipelines. All above grade appurtenances are not inspected during ILI and therefore must be visually inspected per this procedure."

An In-Line Inspection (ILI) alone is inadequate to fulfill the requirements of § 195.583, as an ILI is unable to assess the condition of the 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".

Alyeska must amend its Procedure to ensure compliance with the requirements of § 195.583."

Ensuring our atmospheric monitoring program is effective and compliant is a priority for Alyeska, and we have revised MP-166-3.25 in response to our new understanding of the concern and the details provided in the Notice of Amendment. Revisions have been made to better clarify Alyeska's comprehensive Atmospheric Monitoring Program, demonstrate how we comply with regulatory requirements, and adequately address PHMSA's concerns. To ensure Alyeska's approach aligned with PHMSA requirements, Alyeska met with Ms. St. Pierre on July 21, 2022 to review revisions made to MP-166-3.25. Comments from that meeting have been incorporated into a final draft version of MP-166-3.25 presented as Attachment A for PHMSA's review.

Alyeska recognizes the value of these inspections, and we strive to address any concerns proactively and thoroughly in the timeliest manner possible. We appreciate the opportunity to improve MP-166-3.25 to better demonstrate our program.

Please direct your response to me at the following address:

Allison Iversen
HSEC Director
Alyeska Pipeline Service Company
P O Box 196660, MS 502
Anchorage, Alaska 99519-6660

If you have any questions or comments regarding this information, please contact Janine Boyette at (907) 787-8858.

Sincerely,

Iversen,
Allison

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Allison K. Iversen
HSEC Director

PHMSA
Response to CPF 5-2022-031-NOA

Government Letter No. 50156
July 29, 2022
Page 3 of 3

cc: David Hassell, DOT/PHMSA
Gabrielle St. Pierre, DOT/PHMSA
Danika Yeager, APSC
Regulatory Compliance, APSC

Enclosure: MP-166-3.25, *Atmospheric Corrosion Control Inspection and Monitoring* (Draft Rev 6)