

**PROBABLE VIOLATION 1:
Tank 190 Vent Fire**

PHMSA POSITION

Pertinent Regulations:

49 CFR §195.52(a) Telephonic notice of certain accidents. At the earliest practicable moment following discovery of a release of the hazardous liquid or carbon dioxide transported resulting in an event described in §195.50, the operator of the system shall give notice, in accordance with paragraph (b) of this section, of any failure that:

- (2) Resulted in either a fire or explosion not intentionally set by the operator.
- (b) Reports made under paragraph (a) of this section are made by telephone to 800-424-8802 (in Washington, DC 267-2675) and must include the following information:
 - (1) Name and address of the operator.
 - (2) Name and telephone number of the reporter.
 - (3) The location of the failure.
 - (4) The time of the failure.
 - (5) The fatalities and personal injuries, if any.
 - (6) All other significant facts known by the operator that are relevant to the cause of the failure or extent of the damages.

49 CFR §195.50 Reporting accidents.

An accident report is required for each failure in a pipeline system subject to this part in which there is a release of the hazardous liquid or carbon dioxide transported resulting in any of the following:

- (a) Explosion or fire not intentionally set by the operator.

Findings:

Alyeska failed to report a January 6, 2007 reportable incident by telephonic notice to the National Response Center, as required by §195.52. On that date, crude oil vapors were released from a valve on the top of Tank 190 at PS9 during a relief event. The escaping vapors were ignited by a portable heater nearby, and a fire ensued. The fire scorched the vacuum/pressure valve on the top of Tank 190. This accident qualifies as reportable under §195.50 because a failure of the pipeline system resulted in the release of crude oil vapors and a subsequent fire.

Proposed Civil Penalty:

Regarding Item 1, the Compliance Officer has reviewed the circumstances and supporting documentation involved in the probable violation(s) and has recommended that Alyeska be preliminarily assessed a civil penalty in the amount of \$11,000.00.

Proposed Compliance Order:

In regard to Item Number 1 of the Notice pertaining to Alyeska's failure to report by telephonic notice the January 6, 2007 incident in which hazardous crude vapors were ignited by one or more ignition sources causing a fire within the break out area of Tank 190 at PS9 on TAPS, Alyeska shall modify its procedures for compliance with §§195.50 and §195.52 to include releases of hydrocarbon vapors that result in any event described in §§195.50 and §195.52. Within sixty (60) days of receipt of the Final Order Alyeska shall modify and submit these procedures to the Director, Western Region.

ALYESKA PIPELINE SERVICE COMPANY'S RESPONSE

Summary:

Alyeska Pipeline Service Company (Alyeska) respectfully disagrees with PHMSA's finding that Alyeska failed to report an incident covered by §195.50 and §195.52. Alyeska requests that the finding and the proposed compliance order be withdrawn, and PHMSA withdraw the proposed civil penalty.

Discussion:

Alyeska reported the January 6, 2007 Tank 190 vent fire through Alyeska's normal processes which included OCC faxing the Event Notification form 2124 to the Anchorage DOT office. The same notification was faxed to Denver, the Western Region office; however the phone number was incorrect, resulting in failure of the redundant notification. (See Exhibit 1). January 6, 2007 fell on a Saturday. The DOT inspectors received the fax when they arrived at the office on Monday, January 8, 2007.

Both §195.52 and §195.50 require reporting of accidents that result from a release of hazardous liquid. Alyeska was not required to report the vent fire to the National Response Center (NRC) under §195.52 because there was not a release of the hazardous liquid transported by the company. Hazardous liquid is defined in §195.2, Definitions, as petroleum, petroleum products, or anhydrous ammonia. Alyeska transports petroleum, specifically, crude oil. In §195.2, petroleum is defined as crude oil, condensate, natural gasoline, natural gas liquids, and liquefied petroleum gas. Petroleum products are defined in §195.2 as flammable, toxic, or corrosive products obtained from distilling and processing of crude oil, unfinished oils, natural gas liquids, blend stocks and other miscellaneous hydrocarbon compounds. Alyeska does not transport any products that have been distilled or processed.

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The cause of the vent fire at Pump Station 9 was the release of flammable vapors. Nowhere in the definitions provided in Part 195 is vapor, or flammable vapor, defined. Vapor is not included in the definitions of hazardous liquid, petroleum, or petroleum product.

In other sections of Part 195, PHMSA uses the terms "flammable hazardous liquid" and "flammable vapors" to identify two distinct and different physical states. See §195.438. In the reporting requirements, §195.50 and §195.52, PHMSA requires specific reporting for the release of hazardous liquid. Neither of these regulations uses the terms "flammable vapors" or "vapors" in these reporting regulations. Clearly, PHMSA understands the difference between hazardous liquid and vapors, and uses these terms accordingly to create the compliance coverage applicable for each circumstance. As there was no release of hazardous liquid on January 6, 2007, Alyeska was not required to report the vent fire to the NRC.

Alyeska understands that if there were a release of hazardous liquid accompanied by a release of flammable vapors, which resulted in one of the specific accidents listed in §195.52, reporting to NRC would be required. However, the facts of the January 6, 2007 vent fire do not include a release of hazardous liquid.

Therefore, with regard to Finding 1, Alyeska respectfully requests that the finding and proposed compliance order be withdrawn. With regard to the proposed civil penalty, Alyeska requests that PHMSA withdraw the proposed civil penalty.

SUPPORTING DOCUMENTATION

Exhibit 1 - Form 2124, Event Notification, dated January 6, 2007