

WARNING LETTER

CERTIFIED – RETURN RECEIPT REQUESTED

May 27, 2009

Mr. Jay Ignacio
President
Hawaiian Electric Light Company
54 Halekauila Street
PO Box 1027
Hilo, Hawaii 96721-1027

CPF 5-2009-5024W

Dear Mr. Ignacio:

On March 17-22, 2009, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected Hawaiian Electric Light Company's (HELCO) delivery line, facilities, and records in Hilo, Hawaii.

As a result of the inspection, it appears that you have committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violations are:

1. §195.404 Maps and Records.

- (a) Each operator shall maintain current maps and records of its pipeline systems that include at least the following information;**
- (4) The diameter, grade, type and nominal wall thickness of all pipe.**

The operator could not provide records indicating the grade of pipe that was used to replace a portion of the pipeline that had mechanical damage and leaked causing an oil spill that occurred on January 13, 2004.

The operator could not provide records indicating the grade of pipe used during 2003, 2004, and 2006 for installation of launchers and receiver, the new Y to facilitate smart pigging and relief valve.

The Specific evidence upon which the probable violation is based is spool drawings on pipe and fitting installed at Kalanianaʻole & Banyan Way.

2. §195.304 Test pressure.

The test pressure for each pressure test conducted under this subpart must be maintained throughout the part of the system being tested for at least 4 continuous hours at a pressure equal to 125 percent, or more, of the maximum operating pressure and, in the case of a pipeline that is not visually inspected for leakage during test, for at least an additional 4 continuous hours at a pressure equal to 110 percent, or more, of the maximum operating pressure.

The operator provided hydro-test records for the pipe and fittings installed for a new pig launcher at Chevron Terminal. The January 14, 2004, hydro-test record of this piping indicated that the pipe was hydro-tested for only one hour.

No hydro-test records were presented for the pipe that was used to replace a portion of the pipeline that had mechanical damage and leaked causing an oil spill that occurred on January 13, 2004.

The Specific evidence upon which the probable violation is based includes the spool drawing on hydro-tested pipe and the pipe testing log.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$100,000 for each violation for each day the violation persists up to a maximum of \$1,000,000 for any 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 items identified in this letter. Failure to do so will result in Hawaiian Electric Light 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 5-2009-5024W** and send all responses to my attention at 222 W. 7th Ave. #200, PO Box

37, Anchorage, Alaska 99513. 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,

Dennis Hinnah
Deputy Director, Western Region
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry
PHP-500 B. Flanders (#123950)