

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

June 26, 2014

Mr. Thomas J. Barrett
President
Alyeska Pipeline Service Company
3700 Centerpoint Drive
Anchorage, AK 99503

CPF 5-2014-5008W

Dear Mr. Barrett:

The Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, received your safety-related condition (SRC) report, Government Letter (GL) #30473, on June 4, 2014. We also received additional information regarding the discovery and determination of the SRC on June 5th. The SRC documented the occurrence of an 86% metal loss at the Endicott meter station piping at Pump Station 1.

Review of the safety-related condition report indicates that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The item considered and the probable violation is:

1. §195.56(a) Filing safety-related condition reports.

Each report of a safety-related condition under §195.55(a) must be filed (received by the Administrator) in writing within 5 working days (not including Saturdays, Sundays, or Federal holidays) after the day a representative of the operator first determines that the condition exists, but not later than 10 working days after the day a representative of the operator discovers the condition. Separate conditions may be described in a single report if they are closely related.

Alyeska discovered a safety-related condition on May 11, 2014, determined the condition on May 21, 2014, and reported the condition to PHMSA on June 4, 2014. This timeline reveals that Alyeska did not report the safety-related condition within the required timeframe. The information provided by Alyeska indicates that the safety-related condition was not reported to PHMSA within 5 working days after determination, or 10 working days after discovery of the condition.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$200,000 per violation per day the violation persists up to a maximum of \$2,000,000 for a related series of violations. For violations occurring prior to January 4, 2012, the maximum penalty may not exceed \$100,000 per violation per day, with a maximum penalty not to exceed \$1,000,000 for a 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 item(s) identified in this letter. Failure to do so will result in Alyeska Pipeline Service 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 5-2014-5008W**. 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,

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

cc: PHP-60 Compliance Registry
PHP-500 G. St. Pierre (#146993)