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January 28, 2019

Government Letter No: 41718
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Mr. Chris Hoidal, Acting 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 Letters CPF: 5-2018-0013W and CPF: 5-2018-0014M

Dear Mr. Hoidal:

This letter provides Alyeska Pipeline Service Company's (Alyeska) response to the Pipeline and Hazardous Materials Safety Administration's (PHMSA) Letter CPF 5-2018-0013W and Notice of Amendment (NOA) CPF 5-2018-0014M, received electronically on December 27, 2018. Alyeska takes these findings seriously and is committed to safe pipeline operations. Alyeska has corrected the majority of the deficiencies identified by PHMSA and is taking additional actions to promptly address the remaining issues. Alyeska is also implementing programmatic improvements to prevent reoccurrences.

The PHMSA letter raises certain compliance and safety concerns based on a PHMSA Fuel Gas Line (FGL) integrated inspection. The following describes actions by Alyeska to address these concerns.

1. 49 CFR 192.479(a) and (b) requires Alyeska to prevent atmospheric corrosion through suitable coating for all piping exposed to the atmosphere. PHMSA states that Alyeska does not have adequate coating on the Atigun River Bridge nor at multiple valve locations with soil-to-air interfaces.

Soil-to-air interfaces at the valve interfaces were repaired and Alyeska shared photos of the coating repairs with PHMSA in the August 9, 2018 exit interview (see the enclosed X718 Coating Repair Photos). Alyeska will complete repair of Atigun River Bridge tape wrap during summer 2019.

2. 49 CFR 192.605 requires operators to have a manual of written procedures for operations, maintenance and emergency response. PHMSA alleges that Alyeska has not followed written procedures for annual testing of the FGL compressor station gas detection system.

Alyeska respectfully disagrees. Alyeska performs such inspections under the authority of the National Fire Alarm and Signaling Code (NFPA 72), which requires inspections intervals of 9 to 15 months on a rolling calendar since the last inspection. 49 CFR 192 does not prescribe intervals for testing. Alyeska has proceduralized the requirement as annual. However, for operational flexibility under Alyeska work management processes, Alyeska can, if needed, defer maintenance within the 15-month timeframe, consistent with NFPA 72. Approvals for this task were documented and attached to the work order and provided to PHMSA during the inspection.

3. 49 CFR 192.605 requires operators to have a manual of written procedures for operations, maintenance and emergency response that is reviewed annually not to exceed 15 months. PHMSA alleges that Alyeska did not annually review *FG-78 Operating, Maintenance, and Emergency Plans for the Fuel Gas Line* in 2014 and did not review *MP-166-2.02 Fuel Gas Line Monitoring* from 2009 to 2013.

Alyeska notes this finding and took steps to ensure document review cycles were clear and understood over the last several years. The review cycles have been met for each of these documents since 2013 and 2014 respectively.

4. 49 CFR 192.709 requires Alyeska to maintain records of inspections for emergency valves. PHMSA alleges that Alyeska either did not provide records that valves were inspected for MGV-2, 00-V159(FG), 15-V400(FG), and MGV-9 or that the records provided were not adequate as some of the records were undated.

Alyeska partially disagrees. Alyeska demonstrated to PHMSA the date work was completed, the scope of the work, and who performed the work. All regulatory and preventative maintenance tasks are tracked through the Oracle work order system, an industry standard system. Alyeska is reviewing the ability to prevent closure of work orders in Oracle without required documentation as an automated control in the system.

5. 49 CFR 192.807 requires records to demonstrate compliance with operator qualification (OQ) requirements. PHMSA alleges that Alyeska failed to have qualified individuals performing ongoing covered work for *DOT-PIT/027 Test Emergency Shutdown push buttons for the FGCM*.

Upon discovery of expired qualifications, multiple workers were evaluated and qualified to conduct testing. Alyeska is continuing improvements and standardization to the OQ program, including aligning with ASME B31.Q standard in consultation with industry and OQ experts. Alyeska will notify PHMSA of the changes when the standardization is complete this year.

6. 49 CFR 192.907 provides requirements for implementing an Integrity Management Plan (IMP) which includes creation of a plan or incorporation of a High Consequence Area (HCA) within one year of discovery. PHMSA alleges that Alyeska did not implement multiple portions of the IM rules in the required timeframes.

Alyeska has an IMP in place for the HCA at Pump Station 1 (PS01). Alyeska will complete a Baseline Assessment mid-summer 2019 to meet compliance requirements for implementation of the assessment within 10 years of HCA discovery.

7. 49 CFR 192.919 requires specific items in an operator's Baseline Assessment Plan (BAP) for piping in HCAs. PHMSA alleges that Alyeska is missing required elements of the BAP, specifically the rationale for tool selection for the required assessment.

Alyeska has rewritten the BAP to include all required elements including the rationale for tool selection for the required assessment.

8. 49 CFR 192.919 requires specific items in an operator's Baseline Assessment Plan (BAP) for piping in HCAs. PHMSA alleges that Alyeska is missing required elements of the BAP, specifically a schedule for completing the integrity assessment.

Alyeska has rewritten the BAP to include all required elements including a schedule for completing the integrity assessment.

In the NOA, PHMSA alleges inadequacies in Alyeska operating procedures and the integrity management plan for the FGL. In response, the following actions have been taken by Alyeska:

1. 49 CFR 192.605(b)(5) requires Alyeska have and maintain procedural manuals that ensure that starting up and shutting down the pipeline is conducted in a manner that assures operation within the limits of the Maximum Allowable Operating Pressure (MAOP). PHMSA alleged that Alyeska's Control Room Management (CRM) Operating Procedure *OCC-2.15 Fuel Gas Line and Facility Operations* does not explicitly require keeping the pressure within the limits of the FGL MAOP.

The operating procedure OCC-2.15 noted in multiple sections set points that are not to be exceeded for the compressor station and block valves. These set points are lower than the MAOP for operational safety. Nevertheless, for clarity Alyeska updated the procedure in Section A.5, and republished the document on October 9, 2018, to reflect that the MAOP is 1260 psig and to explicitly provide that this pressure shall not be exceeded during Startup/Shutdown. Please see the attached OCC-2.15 procedure.

2. 49 CFR 192.631(h)(1) requires CRM training to include "responding to abnormal operating conditions likely to occur simultaneously or in sequence." PHMSA alleges that Alyeska CRM operating procedure OCC-2.15 does not mention simultaneous or sequential abnormal operating conditions (AOCs) as required.

Alyeska respectfully disagrees. The requirement noted is a training requirement and not a procedural requirement. Response to simultaneous or sequential AOCs cannot be proceduralized due to the wide variety of potential combinations. Alyeska's controller training includes stepwise and detailed progression including instructor led training, computer-based training, on-the-job training, and operator qualification through evaluation. OCC-2.15 includes responses to specific AOCs and emergencies, and steps that are critical and sequential are outlined in the procedure. In addition to this, Alyeska has revised the procedure to provide for general responses to AOCs and emergencies, including AOCs that occur simultaneously or sequentially. Due to the nature of AOCs and emergencies, some response actions cannot be prescribed in procedures but are left to the judgment of the controller because they are situationally specific. Please see the attached OCC-2.15 procedure.

3. 49 CFR 192.909(b) requires that operators provide notification to PHMSA within 30 days of adopting certain changes to integrity management programs. PHMSA alleges that Alyeska's *IM-246 Fuel Gas Line Integrity Management Plan* contains no provision for such notification.

Alyeska updated Section 11.3.5 of *IM-246* on March 2, 2018, to include the notification requirement. Please see the enclosed portion of IM-246.

If you have any questions or comments regarding this information, please contact Allison Iversen at (907) 787-8061 or Jennifer Lindberg at (907) 787-8858.

Sincerely,



Enclosures: X718 Coating Repair Photos
OCC-2.15
IM-246 Section 11.3.5

cc: Dave Hassell, PHMSA
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