

WARNING LETTER

VIA E-MAIL TO MR. ANDREW LIMMER

April 27, 2021

Mr. Andrew Limmer
Vice President
Harvest Alaska, LLC
3800 Centerpoint Drive
Anchorage, AK 99503

CPF 5-2021-021-WL

Dear Mr. Limmer:

From April 27 through 29, 2020 and January 21, 2021, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code (U.S.C.), inspected Harvest Alaska, LLC's (Harvest) Tyonek Pipeline System and KPL Junction Compressor Station.

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

1. § 192.163 - Compressor stations: Design and construction.

...

(e) *Electrical facilities.* Electrical equipment and wiring installed in compressor stations must conform to the NFPA-70, so far as that code is applicable.

Electrical equipment installed in the "Compressor A" building at the KPL Junction Compressor Station did not conform to the NFPA-70. During the inspection, PHMSA observed and photographed an electrical enclosure cabinet that had open penetrations exposing classified atmospheres to potential ignition sources from electrical equipment in the electrical enclosure cabinet. Paragraph 501.15(c)(1) of NFPA-70 requires sealed enclosures in Class 1 Division 2 environments such as a gas compressor station.

2. § 192.189 - Vaults: Drainage and waterproofing.

(a) Each vault must be designed so as to minimize the entrance of water.

Harvest did not adequately seal the Moose Point vault to prevent the intrusion of water. The vault was filled with water during Harvest's June 7, 2017 atmospheric corrosion inspection and therefore Harvest was unable to complete the atmospheric corrosion inspection at that time.

3. § 192.491 - Corrosion control records.

...

(c) Each operator shall maintain a record of each test, survey, or inspection required by this subpart in sufficient detail to demonstrate the adequacy of corrosion control measures or that a corrosive condition does not exist. These records must be retained for at least 5 years, except that records related to §§ 192.465 (a) and (e) and 192.475(b) must be retained for as long as the pipeline remains in service.

Harvest failed to retain adequate records of the atmospheric corrosion inspection of pipeline in the Moose Point Vault on the Tyonek pipeline. The operator's June 7, 2017 atmospheric corrosion inspection record of the Moose Point vault indicates that the vault was filled with water, the majority of the piping was inaccessible for inspection, and the operator was unable to complete the atmospheric corrosion inspection at that time. The operator opened an Inspection Work Request (IWR) and the IWR record indicates that the Moose Point Vault was pumped and the inspection was completed on September 15, 2019. Based on the date of the completed inspection (September 15, 2019) the operator is required to have completed the prior inspection on or after June 15, 2016. However, Harvest personnel stated that the prior atmospheric corrosion inspection of the Tyonek Pipeline within the Moose Point Vault was conducted by the prior operator of the pipeline and that Harvest was unable to locate or did not retain a record of that inspection.

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$222,504 per violation per day the violation persists, up to a maximum of \$2,225,034 for a related series of violations. For violation occurring on or after July 31, 2019 and before January 11, 2021, the maximum penalty may not exceed \$218,647 per violation per day the violation persists, up to a maximum of \$2,186,465 for a related series of violations. For violation occurring on or after November 27, 2018 and before July 31, 2019, the maximum penalty may not exceed \$213,268 per violation per day, with a maximum penalty not to exceed \$2,132,679.

For violation occurring on or after November 2, 2015 and before November 27, 2018, the maximum penalty may not exceed \$209,002 per violation per day, with a maximum penalty not to exceed \$2,090,022.

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 Harvest Alaska, LLC 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 5-2021-021-WL**. 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,

Dustin Hubbard
Director, Western Region, Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry
PHP-500 J. Gano (#21-203077)
Ben Wasson, Hilcorp Alaska