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Via Electronic Mail to dustin.hubbard@dot.gov

September 17, 2021

Mr. Dustin Hubbard
Director, Western Region
U.S. Department of Transportation
Pipeline and Hazardous Materials Safety Administration
12300 W. Dakota Avenue, Suite 110
Lakewood, Colorado 80228

**RE: Response to PHMSA CPF No. 5-2021-023
Notice of Probable Violation, Proposed Civil Penalty and Proposed Compliance Order**

Dear Mr. Hubbard,

Harvest Midstream Alaska, LLC (Harvest) has received the above referenced proposed Notice of Probable Violation (NOPV) by which PHMSA alleges that Harvest committed probable violations of Title 49, Code of Federal Regulations. The NOPV was generated from a records review as part of an integrated inspection of the Beluga Pipeline, Unit ID 4735, and CIGGS, Unit ID 89016. Due to the global pandemic, the inspection was conducted remotely utilizing video conference.

Harvest requests that PHMSA reconsider the NOPV for Item 1 and withdraw and/or reduce the civil penalty for Item 2. Harvest provides explanations for the alleged violations in the sections below. Harvest does not contest Items 3, 4, and 5 and has provided a description of activities we have implemented to remedy the deficiencies.

Item 1. § 192.614 Damage prevention program

The NOPV alleges that Harvest's method for establishing its excavator mailing list failed to comply with the regulation.

The process Harvest employs for generating damage prevention mailing lists utilizes a program that searches for contractor business license throughout the Alaska Kenai Peninsula area; the area

in which Harvest operates subject pipelines. Harvest updates the list annually to capture licensed contractors that normally engage in excavation activities. This list may also include some persons that do not normally engage in excavation activities in the area where the pipelines are located. A separate mailer is sent to landowners with properties near by the pipelines.

During the inspection, PHMSA reviewed one-call records to verify that persons utilizing the one-call system were on Harvest's annual mailing lists. In several of these instances, the one-calls were requested by persons with out-of-state business licenses and were not captured on the mailing list. These people were not identified as having multiple one-call tickets, and so whether they "normally" engage in excavation activities in the area in which the pipelines are located was not verified.

Harvest appreciates the guidance PHMSA provided during the inspection regarding the damage prevention program, but Harvest disagrees that the process was in a violation of the regulation as alleged. The rule does not specify alignment between one-call tickets and the damage prevention mailing list, or to what frequency the term "normally" refers.

Harvest has since included a process to verify that any person requesting a one-call ticket is included on the damage prevention mail out process, regardless of the frequency in which they request one-calls. This will ensure the mailing list is comprehensive and inclusive of those that normally engage in excavation activities around Harvest pipelines.

Item 2. § 192.739 Pressure limiting and regulating stations: Inspection and testing.

PSV-10056

The NOPV alleges that Harvest did not inspect and test PSV-10056 at the required intervals.

The NOPV states that PSV-10056 protects the Beluga transmission line from being over pressured by the compressors at Beluga. After thorough review of the pipeline system, Harvest has confirmed that this is not a DOT PSV and is not needed to protect the Beluga Pipeline from the upstream producer. The PSV-10056 is located on Beluga River Unit (BRU) production piping upstream of the tie-in to the transmission system. The PSV-10056 is owned and operated by the upstream production operator, Hilcorp Alaska, LLC.

The flow path from BRU to the Beluga transmission system is utilized only for occasional maintenance activities. This flow path is actually protected by PSV X-028 located at Kaloa Junction. Harvest designed, installed and maintains the PSV X-028 to protect the entirety of the Beluga Pipeline during bi-directional flow. All block valves between the BRU production facility tie-in and PSV X-028 are locked open. There are no operating scenarios where PSV X-028 can be isolated while gas is flowing from BRU into the Beluga Pipeline transmission system. The rated capacity of PSV X-028 is twice that of the general maximum flow rates in this segment of the pipeline.

Since PSV-10056 is a non-regulated PSV and does not protect the Beluga Pipeline, Harvest requests that this finding be withdrawn.

PSV-002

The NOPV alleges that Beluga PSV-002 exceeded the 15-month testing and inspection interval.

During the inspection, PHMSA requested documentation for the inspections that occurred on January 9, 2019 and July 9, 2020. Harvest additionally inspected the PSV on August 18, 2019. This record was overlooked during the integrated inspection and is attached to this response.

The separator that is protected by PSV-002 was installed in 2018 to be used during future pigging operations. However, the pigging separator was blinded out and not placed into service until the Beluga Pipeline ILI run in July 2019. Harvest completed preventative maintenance on the PSV on January 9, 2019, prior to the initial use of the separator.

Since the separator was not utilized prior to having the required inspections, Harvest requests that this finding be withdrawn.

Item 3. § 192.745 Valve maintenance: Transmission lines.

The NOPV alleges that Pipeline Valve Inspection & Maintenance forms documenting the inspections reveal that the valve X-002 (SDV-023) was not partially operated during inspections conducted on June 29, 2017, and June 29, 2018.

Harvest does not dispute the allegation, however, would like to make note of considerations listed below.

- The valve was and has been operable. The function of the valve is to automatically close under low or high pipeline pressure. In 2017, the operator inspecting the valve questioned the risk involved with an inability to reopen the valve if it were closed. In 2019 a different operator successfully and safely exercised the valve.
- Harvest self-identified and rectified the non-compliance events of 2017 and 2018. The valve was exercised in 2019 and subsequent valve inspections.

Item 4. § 192.937 What is a continual process of evaluation and assessment to maintain a pipeline's integrity?

The NOPV alleges that Harvest's Integrity Management Program (IMP) Annual Effectiveness Reviews in 2018 and 2019 failed to provide a comprehensive and in-depth examination of performance.

Harvest did have a performance review process and record that included metrics for various IM performance categories, but did not explicitly state whether improvements were needed to improve the effectiveness of the program. Therefore, Harvest does not contest this finding. Harvest has since improved the Annual Effectiveness Review process to include an evaluation of the performance metrics used to evaluate program performance.

Item 5. § 192.939 What are the required reassessment intervals?

Harvest did not assess the covered segment of ECIGGS within the required seven-year interval.

The previous operator completed an in-line inspection on May 1, 2012. Harvest completed the next assessment on July 13, 2019, due to a scheduling oversight.

Harvest does not contest this finding and has since improved the integrity assessment scheduling process.

Please feel free to contact me directly at (907) 564-5232, or Harold Colgrove at (907) 777-8310 with any other questions you may have regarding these matters.

Sincerely,



Andrew Limmer
Vice President, Harvest Midstream Alaska

cc (by-email): Gabrielle St. Pierre, P.E., Engineer / Inspector (PHMSA)
 David Hassell, Operations Supervisor (PHMSA)
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