Par Hawaii

**VIA ELECTRONIC MAIL TO: dustin.hubbard@dot.gov**
**READ RECEIPT REQUESTED**

December 26, 2024

Dustin Hubbard
Director, Western Region, Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration
12300 W Dakota Ave., Suite 110
Lakewood, CO 80228

**RE: CPF 5-2024-001-NOPV**

Dear Mr. Hubbard:

Following an inspection in November, 2024 of Par Hawaii's Honolulu pipeline system in Honolulu, Hawaii, the Pipeline and Hazardous Materials Safety Administration (PHMSA) issued the subject Notice of Probable Violation (NOPV) and Proposed Compliance Order (PCO) on December 12, 2024. The NOPV alleges two (2) probable violations with proposed compliance orders associated with both items.

Par Hawaii does not contest the violations identified and provides the following responses.

**1. § 195.420 Valve maintenance.**

**(a) …**
**(b) Each operator must, at least twice each calendar year, but at intervals not exceeding 7 ½ months, inspect each mainline valve to determine that it is functioning properly. Each rupture-mitigation valve (RMV), as defined in § 195.2 and not contained in a gathering line, or alternative equivalent technology that is installed under § 195.258(c) or § 195.418, must also be partially operated. Operators are not required to close the valve fully during the inspection; a minimum 25 percent valve closure is sufficient to demonstrate compliance, unless the operator has operational information that requires an additional closure percentage for maintaining reliability.**

Par Hawaii failed to inspect each mainline valve to determine that it was functioning properly at least twice each calendar year, with inspection intervals not exceeding 7 ½ months, as required by § 195.420(b). Specifically, Par Hawaii failed to inspect mainline valve MOV-2307 (A7) to ensure it was functioning properly at least twice each calendar year, with intervals not exceeding 7 ½ months. During the review of the LFM032-01 Mainline Valve Inspection Reports from 2020 to 2024, it was found that MOV-2307 (A7)

was not inspected during the following intervals: 3/25/2020, 9/8/2020, 2/11/2021, 9/15/2021, 3/7/2022, 3/20/2023, 10/4/2023, and 3/5/2024. Therefore, Par Hawaii failed to inspect MOV-2307 (A7) to ensure it was functioning properly at least twice each calendar year, with intervals not exceeding 7 ½ months, as required by § 195.420(b).

**Associated PCO** - In regard to Item 1 of the Notice pertaining to failure to inspect mainline valve MOV-2307 (A7) to ensure it was functioning properly at least twice each calendar year, with intervals not exceeding 7 ½ months, Par Hawaii must inspect each mainline valve to determine that it was functioning properly at least twice each calendar year, with inspection intervals not exceeding 7 ½ months, as required by § 195.420(b).

**Par Hawaii's Response**

Documentation demonstrating that MOV-2307 (A7) was inspected as required by §195.420(b) was not available for intervals that PHMSA has noted in the NOPV. The circumstances surrounding the lack of documentation relate to the use of outdated valve inspection forms. Par Hawaii has taken steps to improve control and availability of forms associated with DOT valve inspections. Forms have been placed on Par's Intranet for access by Par Hawaii employees. Valve inspection documentation will also be reviewed for completeness during monthly meetings.

MOV-2307 (A7), the kicker for the pig launcher at the Kapolei Refinery, is typically operated routinely (at least weekly) when batch pigs are launched. An event log is attached that demonstrates the operation of MOV-2307 (A7) from 10/1/22 to 12/19/24.

**2. § 195.583 What must I do to monitor atmospheric corrosion control?**

**(a) You must inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion, as follows:**

| If the pipeline is located: | Then the frequency of inspection is: |
|---|---|
| Onshore | At least once every 3 calendar years, but with intervals not exceeding 39 months. |
| Offshore | At least once each calendar year, but with intervals not exceeding 15 months. |

Par Hawaii failed to inspect each onshore pipeline or portion of pipeline exposed to the atmosphere for evidence of atmospheric corrosion at least once every 3 calendar years, with intervals not exceeding 39 months, as required by § 195.583(a). Specifically, Par Hawaii failed to inspect MLV-16, MLV-17, and MLV-18A for evidence of atmospheric corrosion at least once every 3 calendar years, with intervals not exceeding 39 months. During the inspection, the LFM028-01 Atmospheric Corrosion Inspection Reports for 2022 and 2024 were reviewed.
Previous atmospheric corrosion inspections were conducted in 2019.

As indicated by the inspection reports, on 12/6/2022, an atmospheric corrosion inspection was performed on MLV-16, with the recommended action being: "Active moderate corrosion on bolting and flanges needs to be arrested, inspected, and recoated." On 11/18/2024, the follow-up atmospheric corrosion inspection was performed on MLV-16. The inspection and repair report indicated that the flanges and bolting were cleaned with power hand tools to arrest the active corrosion present. A visual inspection was then performed on all atmospheric pipe and valve components, with no additional active corrosion present and no further repairs or replacements needed.

According to the inspection reports, on 12/6/2022, an atmospheric corrosion inspection was performed on MLV-17, with the recommended action being: "Vault needs to be drained and inspected." On 11/18/2024, the follow-up atmospheric corrosion inspection was performed on MLV-17. The inspection and repair report indicated the vault was drained and water washed clean. A visual inspection was then performed on all atmospheric pipe and valve components, with no additional active corrosion present and no further repairs or replacements needed.

The inspection reports indicate that on 12/6/2022, an atmospheric corrosion inspection was performed on MLV-18A, with the recommended action being: "Denso wrap on blind flange needs to be removed and vault piping re-inspected." On 11/18/2024, the follow-up atmospheric corrosion inspection was performed on MLV-18A. The inspection and repair report indicated the existing Denso wrap was removed and water washed clean. A visual inspection was then performed on all atmospheric pipe and valve components, with no additional active corrosion present and no further repairs or replacements needed, besides the application of a new Denso Densyl wrap.

According to its inspection reports, Par Hawaii failed to inspect MLV-16, MLV-17, and MLV- 18A for evidence of atmospheric corrosion by the end of 2022, since previous atmospheric corrosion inspections were conducted in 2019, and Par Hawaii was unable to perform the required follow-up atmospheric corrosion inspections until 2024. Therefore, Par Hawaii failed to inspect MLV-16, MLV-17, and MLV-18A for evidence of atmospheric corrosion at least once every 3 calendar years, with intervals not exceeding 39 months, as required by § 195.583(a).

**Associated PCO** - In regard to Item 2 of the Notice pertaining to failure to inspect MLV-16, MLV- 17, and MLV-18 for evidence of atmospheric corrosion at least once every 3 calendar years, with intervals not exceeding 39 months, Par Hawaii must inspect each onshore pipeline or portion of pipeline exposed to the atmosphere for evidence of atmospheric corrosion at least once every 3 calendar years, with intervals not exceeding 39 months, as required by § 195.583(a).

**Par Hawaii's Response**

Documentation demonstrating that MLV-16, MLV-17, and MLV-18A were inspected as required by

§ 195.583(a) was not available as described by PHMSA in the NOPV. Par has taken steps to improve tracking of action items identified during atmospheric corrosion inspections. Atmospheric corrosion inspection documentation will be reviewed during monthly meetings for tracking of action items. Action items will be tracked through completion and associated documentation.

Par Hawaii completed atmospheric inspections of MLV-16, MLV-17, and MLV-18A on 11/21/24. The actions taken at each valve are described on the attached LFM017-01 Inspection and Repair Reports and summarized below.

- MLV-16 was inspected on 11/21/24. "*During a previous inspection, active corrosion was noted on the MLV-16 bolting and flanges. The flanges and bolting were cleaned with power hand tools to arrest the active corrosion present. The flanges & associated components were then reinspected with no further repairs/replacements needed at the time of inspection. The MLV-16 flanges and bolting were recoated using Carboline Bitmastic 50.*"
- MLV-17 was inspected on 11/21/24. "*The Vault for MLV-17 was drained and water washed clean. A visual inspection was performed on all atmospheric pipe and valve components with no active corrosion present at the time of inspection.*"
- MLV-18A was inspected on 11/21/24. *"...removal of existing Denso wrap and water wash cleaning. No external corrosion noted at the time of inspection. ...new Denso Densyl wrap applied at MLV-18A."*

If you have questions or require additional information regarding Par's response, please contact Maureen Burns, Par's Transportation Safety Regulatory Manager at (281)705-1374 or at MBurns@parpacific.com.

Respectfully,

Eric Wright
President, Par Hawaii
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cc: Maureen Burns, Transportation Safety Regulatory Manager, MBurns@parpacific.com
Chet L. Greene, Vice President, Mainland Logistics, CGreene@parpacific.com
Michelle Loveless, Pipeline Compliance Coordinator, MLoveless@parpacific.com

Attachments:

- Event Log showing operation of MOV-2307 (A7) from 10/1/22 to 12/19/24
- LFM017-01 Inspection & Repair Report completed 11/21/24 for MLV-16
- LFM017-01 Inspection & Repair Report completed 11/21/24 for MLV-17
- LFM017-01 Inspection & Repair Report completed 11/21/24 for MLV-18A