

**CERTIFIED MAIL – RETURN RECEIPT REQUESTED**

**WARNING LETTER**

July 7, 1999

Mr. James Isham  
Cook Inlet Pipeline Company  
2000 West International Drive, Suite D-6  
Anchorage, AK 99502

**CPF 59506W**

Dear Mr. Isham:

On May 11, 12, and 13, 1999 a representative of the Western Region, Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code, conducted an inspection of Cook Inlet Pipeline Company (CIPL) records and manuals in your Anchorage, Alaska headquarters and your facilities located between the Drift River Terminal and the Granite Point Production Facility.

As a result of the inspection, it appears that CIPL has committed probable violations, as noted below, of pipeline safety regulations, Title 49, Code of Federal Regulation, Part 195. Those items requiring your attention are:

1. **§195.402(a) General. Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to insure that the manual is effective. This manual shall be prepared before initial operations of a pipeline system commence, and appropriate parts shall be kept as locations where operations and maintenance activities are conducted.**

Inspection of CIPLs Onshore Operating Manual and the Unocal Operations and Maintenance Manual revealed that the manuals had been reviewed in November 1998, within one year of this inspection but there was no other documentation in the manuals to determine if previous reviews meet the required review interval allowed under this regulation.

CIPL in conjunction with Unocal must formulate and follow written procedures to document not just the most recent manual reviews but also previous reviews.

2. **§195.402(c)(12) Establishing and maintaining liaison with fire, police, and other appropriate public officials to learn the responsibility and resources of each government organization that may respond to a hazardous liquid or carbon dioxide pipeline emergency and acquaint the officials with the operator's ability in responding to a hazardous liquid or carbon dioxide pipeline emergency and means of communication.**

Review of the Onshore Operating Manual did not reveal such a procedure. Additionally there were no records of any liaison activities. CIPL interfaces with others in conjunction with their oil spill contingency plan, but this activity does not cover all possible emergency scenarios, where an oil spill may or may not be identified. This procedure is important to insure proper coordination with entities which would be responding to all possible emergencies.

CIPL must develop and follow written procedures that addresses specific liaison responsibilities with public officials. These liaison activities must be documented.

3. **§195.402(c)(7) Starting up and shutting down any part of the pipeline system in a manner designed to assure operation within the limits prescribed by §195.406, consider the hazardous liquid or carbon dioxide in transportation, variations in altitude along the pipeline, and pressure monitoring and control devices.**

Since CIPL has converted to operating the pipeline with a Supervisory Control and Data Acquisitions (SCADA) system, the start up and shut down procedures have been revised to a generic statement. The SCADA system has logic built into it that prevents the systems start up and shut down operations from over pressuring the pipeline. After discussions with the controllers though it became apparent that there are some steps that are taken during start up that will insure a smooth operation and prevent upsets.

Comprehensive start up procedures must be developed and incorporated into CIPL's Onshore Operations Manual.

Under 49 United States Code, §60122, you are subject to a civil penalty not to exceed \$25,000 for each violation for each day the violations persists up to a maximum of \$500,000 for any related series of violations. We have reviewed the circumstances and supporting documents

involved in this case, and have decided not to assess you a civil penalty. We advise you, however, that should you not correct the circumstances leading to the violations or those violations reoccur, we will take enforcement action when and if the continued violations come to our attention.

You will not hear from us again with regard to the noted inspection and our subsequent action. Because of the good faith that you have exhibited up to this time, we expect that you will act to bring your pipeline and your operations into compliance with pipeline safety regulations.

Sincerely,

Chris Hoidal  
Director