



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

12300 W Dakota Ave , Suite 110
Lakewood, CO 80228

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

March 18, 2008

Mr. Floyd Shiroma
Director, Fuels Infrastructure Division
Power Supply Service Department
Hawaiian Electric Company, Inc.
P.O. Box 2750
Honolulu, HI 96840-0001

CPF 5-2008-5007M

Dear Mr. Shiroma:

From August 30 to September 1, 2007, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected your pipeline system operations and maintenance procedures and records, and conducted a field inspection of your pipeline facilities in Honolulu, Hawaii.

As a result of the inspection, PHMSA has identified the apparent inadequacies found within Hawaiian Electric Company's (HECO) plans or procedures, as described below:

1. §195. 226 Welding: Arc burns.

(b) An arc burn may be repaired by completely removing the notch by grinding, if the grinding does not reduce the remaining wall thickness to less than the minimum thickness required by the tolerances in the specification to which the pipe is manufactured. If a notch is not repairable by grinding, a cylinder of the pipe containing the entire notch must be removed.

HECO operations and maintenance procedures for arc burn repair were inadequate for not requiring the verification of the removal of the notch by non-destructive testing.

2. **§195.402 Procedural manual for operations, maintenance, and emergencies.**

(c) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:

(9) In the case of facilities not equipped to fail safe that are identified under paragraph 195.402(c)(4) or that control receipt and delivery of the hazardous liquid or carbon dioxide, detecting abnormal operating conditions by monitoring pressure, temperature, flow or other appropriate operational data and transmitting this data to an attended location.

HECO operations and maintenance procedures were inadequate in the control receipt and delivery of fuel because HECO field personnel only gauged tank readings hourly during each transfer operations from the Iwilee breakout tank to the Aloha Power Station.

3. **§195.403 Emergency response training.**

(a) Each operator shall establish and conduct a continuing training program to instruct emergency response personnel to:

(3) Recognize conditions that are likely to cause emergencies, predict the consequences of facility malfunctions or failures and hazardous liquids or carbon dioxide spills, and take appropriate corrective action;

HECO operations and maintenance procedures and the emergency procedures were inadequate in providing a continuing training program to permit field personnel to recognize conditions that are likely to cause emergencies and to take appropriate corrective action.

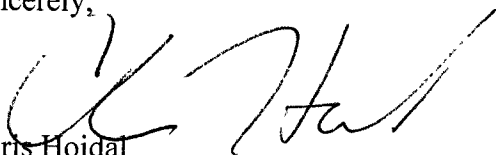
Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.237. Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Compliance Proceedings*. Please refer to this document and note the response options. 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). If you do not respond within 30 days of receipt of this Notice, this constitutes a waiver of your right to contest the allegations in this Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further notice to you and to issue a Final Order.

If, after opportunity for a hearing, your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.237). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 30 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

In your correspondence on this matter, please refer to **CPF 5-2008-5007M** and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,



Chris Hoidal
Director, Western Region
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry
PHP-500 P. Nguyen (# 118820)

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*