



U.S. Department
of Transportation

**Pipeline and Hazardous
Materials Safety
Administration**

1200 New Jersey Avenue, SE
Washington, D.C. 20590

OCT 2 2018

Mr. Alan M. Oshima
President & Chief Executive Officer
Hawaiian Electric Company, Inc.
900 Richards Street
Honolulu, Hawaii 96813

Docket No. PHMSA-2017-0155

Dear Mr. Oshima:

On November 13, 2017, Hawaiian Electric Company, Inc. (HECO) wrote to the Pipeline and Hazardous Materials Safety Administration (PHMSA) requesting a special permit to waive compliance from the pipeline safety regulations in 49 Code of Federal Regulations (CFR) 195.571 and 195.573 for the 8.625-inch diameter Waiiau Pipeline, a hazardous liquid pipeline system. HECO requested to operate the Waiiau Pipeline using additional integrity management type measures to supplement areas of ineffective corrosion control and where the level of cathodic protection (CP) cannot be routinely monitored.

The Waiiau Pipeline has insulation and polyethylene jacket around the 8.625-inch diameter pipe to allow the pipeline to more efficiently transport hot fuel oil. The insulation and polyethylene jacket prevents CP from reaching significant portions of the pipeline when the jacket becomes compromised and allows moisture (electrolyte) to enter the insulation. The jacket and insulation also prevents the accurate monitoring of the cathodic protection currents due to a phenomenon called "shielding." Ineffective CP and CP monitoring due to the insulated pipe allow undetected and rapid corrosion to occur without other safety measures being put into place.

The purpose of the Waiiau Pipeline special permit is to assure safety and environmental protection through the implementation of alternative integrity measures to supplement areas of ineffective corrosion control. The special permit conditions have requirements for HECO to conduct right-of-way patrols, integrity assessments and any needed remediation, inline inspection tool data analysis, CP interference surveys, and reporting of specific conditions.

The HECO Waiiau Pipeline special permit segment consists of 12.7 miles of 8.625-inch diameter pipeline. The Waiiau Pipeline transports low sulfur fuel oil from Barbers Point Tank Farm to the Waiiau Power Plant in Pearl City, Hawaii. The Waiiau Pipeline has a maximum operating pressure (MOP) of 1,350 pounds per square inch gauge (psig) and was constructed in 2004. The Waiiau Pipeline is coated with fusion bonded epoxy coating, with 2-inch urethane foam insulation and a high-density polyethylene jacket.

PHMSA is granting this special permit (enclosed), which will allow HECO to continue operating the Waiiau Pipeline special permit segment at the present MOP of 1,350 psig with implementation of the special permit conditions. This special permit provides relief from the Federal pipeline safety regulations of 49 CFR 195.571 and 195.573, for the Waiiau Pipeline special permit segment and requires HECO to comply with certain conditions and limitations designed to maintain pipeline safety and to protect the environment.

The special permit request was noticed for public comment from May 25, 2018 through June 25, 2018 in Docket No. PHMSA-2017-0155 in the Federal Docket Management System (FDMS) located on the internet at www.regulations.gov. One comment was received.

PHMSA grants this special permit based on the findings set forth in the “Special Permit Analysis and Findings” document, which can be read in its entirety in Docket No. PHMSA-2017-0155 in the FDMS at www.regulations.gov.

My staff would be pleased to discuss this matter or any other regulatory matter with you. John Gale, Director of Standards and Rulemaking Division, may be contacted at 202-366-0434, on regulatory matters, and Kenneth Lee, Director of Engineering and Research Division, may be contacted at 202-366-2694, on technical matters specific to this special permit application.

Sincerely,



Alan K. Mayberry
Associate Administrator for Pipeline Safety

Enclosure: Special Permit – PHMSA-2017-0155