



U.S. Department
of Transportation

Pipeline and Hazardous Materials
Safety Administration

1200 New Jersey Ave., SE
Washington, DC 20590

APR 27 2010

Mr. John Zager
General Manager
Union Oil Company of California
P. O. Box 196247
Anchorage, Alaska 99519-6247

Docket No. PHMSA-2009-0407

Dear Mr. Zager:

On May 26, 2009, Union Oil Company of California (UOCC/Chevron), a subsidiary of Chevron Corporation, wrote to the Pipeline and Hazardous Materials Safety Administration (PHMSA) requesting a special permit to waive compliance from the Federal hazardous liquid pipeline safety regulations for a segment of 12 3/4-inch diameter hazardous liquid pipeline riser on the Bruce Platform (Bruce Platform pipeline riser) located on the Kenai Peninsula Borough of the Cook Inlet in the State of Alaska. Specifically, UOCC/Chevron requested a waiver of compliance with 49 CFR § 195.452(h)(3) and (h)(4)(iii)(E), which requires hazardous liquid pipeline operators to schedule evaluation and remediation of an area of general corrosion with a predicted metal loss greater than 50% of nominal wall thickness within 180 days of discovery, when located in a high consequence area (HCA).¹

In its special permit application, UOCC/Chevron described the October, 2008, discovery of general corrosion of 64% pipe wall thickness loss on the Bruce Platform pipeline riser. This riser is constructed of 12 3/4-inch diameter, 0.500-inch wall thickness, Grade B (35,000 pounds per square inch (psi)) steel and is located inside the Bruce Platform leg. UOCC/Chevron indicated that it could not remediate the corrosion within the 180-day repair period required in 49 CFR § 195(h)(4)(iii)(E). UOCC/Chevron did not specify a time period in its application to remediate the corrosion as an alternative to compliance with the 180-day period otherwise required by 49 CFR § 195.452(h)(4).

By letter dated December 3, 2009, UOCC/Chevron informed PHMSA that it intended to conduct an ultrasonic in-line inspection (ILI) on the Bruce platform riser. In a March 5, 2010, letter with attachments to PHMSA, UOCC/Chevron informed PHMSA that the ultrasonic ILI had been performed on February 10-12, 2010, and included information on the results. UOCC/Chevron

¹ In its special permit application, UOCC/Chevron indicated that it had previously submitted a request to PHMSA on March 18, 2009, through the Office of Pipeline Safety (OPS) Integrity Management Data Entry website, and a letter dated March 30, 2009, for a special permit for the Bruce Platform pipeline riser. This notification site, however, is not for special permit applications.

found a remaining wall thickness of 31% (approximately 0.155-inch wall thickness remaining) in the Bruce Platform pipeline riser. UOCC/Chevron proposed additional preventive and mitigation measures which they are willing to implement, if a special permit were granted. Neither the initial application nor the supplemental materials included any plans or time frame to remediate the Bruce Platform pipeline riser, as required in 49 CFR § 195.452(h)(4)(iii)(E), for all areas of the pipeline riser with general corrosion metal loss greater than 50% of nominal wall thickness.

Upon careful consideration of UOCC's application, as supplemented, and having considered all potential safety and environmental risks of continued operation of the Bruce Platform pipeline riser without remediation of the identified corrosion including the potential consequences of a spill in a HCA, PHMSA is denying this special permit request. The reasons are more fully described in the special permit analysis and findings document enclosed with this letter. This document and all other pertinent documents are available for review in Docket No. PHMSA-2009-0407 in the Federal Docket Management System (FDMS) located on the internet at www.Regulations.gov.

Because the Bruce Platform pipeline riser is out of compliance with the scheduling, evaluation and remediation requirements of 49 CFR § 195.452, to the extent UOCC/Chevron continues to operate this riser it is potentially subject to enforcement action. Accordingly, PHMSA proposes that UOCC/Chevron initiate the following actions:

1. If UOCC/Chevron continues to operate the Bruce Platform pipeline riser, operating pressures must remain at or below the existing maximum operating pressure (MOP) of 340 psig. UOCC/Chevron must provide adequate controls and protective equipment to control any surge pressures in accordance with 49 CFR § 195.406. To the extent required by 49 CFR Part 195, UOCC/Chevron must further reduce the MOP if required by applicable remaining strength calculation requirements.
2. Perform cathodic protection surveys of the riser piping inside the platform leg to determine the adequacy of the cathodic protection, within 30 days of receipt of this letter. Remediate any cathodic protection readings below applicable criteria in accordance with 49 CFR Part 195 within 30 days of the date of this letter. Perform ongoing monitoring of the cathodic protection on the Bruce Platform pipeline riser inside the platform leg and record and mitigate/remediate all readings that are not in accordance with 49 CFR § 195.571.
3. Within 30 days of receipt of this letter, perform an ILI assessment along the entire length of the Bruce Platform pipeline riser using suitable ILI tools and remediate any discovered integrity threatening conditions in accordance with applicable requirements. Perform three (3) additional ILI assessment tool runs to confirm the results of the February 10 - 12, 2010, ILI (ultrasonic inspection tool was used) during this ILI assessment.
4. Perform an ILI re-assessment of the Bruce Platform pipeline riser using ILI by July 31, 2010. This reassessment must include a minimum of three (3) runs of the ILI tool through the pipeline riser. This reassessment must include full evaluation of any

anomalies or corrosion growth rate found. The anomaly and growth rate evaluations must be based upon the worst case found in these three (3) ILI tool runs.

5. Evaluate, repair or replace pipe for all anomalies located on the Bruce Platform pipeline riser in accordance with 49 CFR §§ 195.106, 195.108, 195.110, 195.422 and 195.452 (h) incorporating appropriate design and safety factors in the anomaly repair criteria for HCAs and unusually sensitive area (USAs) as follows:
 - Immediate repair or pipe replacement of any anomaly within a pipeline segment that meets either: (1) a failure pressure ratio (FPR) less than or equal to 1.67 (usage of design factor of 0.60 in anomaly evaluation); (2) an anomaly depth greater than or equal to 70% of pipe wall thickness.
 - Evaluate, remediate, or replace all anomalies that do not meet the conditions in 49 CFR § 195.452(h)(4)(iii) within 180 days of this letter.
6. Review your spill response plan to ensure sufficient environmental monitoring for the Bruce Platform pipeline riser to limit any consequences from a possible leak of product. The monitoring plan must be in place and implemented within 30 days of receipt of this letter, and should include:
 - a. Twice daily inspection of the pipeline riser, platform leg-internal and external, and surrounding piping for any possible leakage, including full documentation of inspections;
 - b. Installation of product leakage detection in the platform leg;
 - c. Installation of sump system to remove any product leakage;
 - d. Updated Spill plan that includes all possible scenarios of product leakage and response actions;
 - e. Review of spill consequences to ensure all needed equipment is on board the platform for possible usage, if needed; and
 - f. Bruce Platform operating personnel must be trained in accordance with 49 CFR Part 195, Subpart G – Qualification of Pipeline Personnel to properly recognize the abnormal operating conditions.

If UOCC/Chevron intends to initiate these actions as proposed, PHMSA requests that you provide a written response to the Director, PHMSA Western Region, confirming your intent no later than 14 days following your receipt of this letter. If UOCC/Chevron has reason to believe that these proposed steps or the proposed completion times are not feasible, UOCC/Chevron may propose an alternative plan and schedule to PHMSA in its response. PHMSA would require all plans submitted to fully remediate the Bruce Platform pipeline riser in accordance with 49 CFR § 195.452 within 180 days of receipt of this letter.

My staff would be pleased to discuss this special permit application denial or any other regulatory matter with you. John Gale, Director of Regulations (202-366-0434), may be contacted on regulatory matters and Alan Mayberry, Deputy Associate Administrator for Pipeline Safety (202-366-5124), may be contacted on technical matters.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Wiese". The signature is stylized with a large, circular flourish at the beginning.

Jeffrey D. Wiese
Associate Administrator for Pipeline Safety

Enclosure (Analysis and Findings)

U.S. DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION

Special Permit Analysis and Findings

Special Permit Information:

Docket Number: PHMSA-2009-0407
Pipeline Operator: Union Oil Company of California
Date Requested: May 26, 2009
Code Section(s): 49 CFR § 195.452(h)(3) and (h)(4)(iii)(E)

Purpose:

The Pipeline and Hazardous Materials Safety Administration (PHMSA) provides this information to describe the special permit application submitted by Union Oil Company of California (UOCC/Chevron), a subsidiary of Chevron Corporation, to discuss any relevant public comments received with respect to the application, to present an engineering and safety analysis of the special permit application, and to make findings regarding whether the requested special permit should be granted and if so under what conditions.

Special Permit Request:

UOCC/Chevron submitted an application to PHMSA on May 26, 2009, and supplemental information on August 12, 2009, December 3, 2009, and March 5, 2010, for a special permit seeking relief from the pipeline safety regulations in 49 CFR § 195.452(h)(3) and (h)(4)(iii)(E) for one segment of the UOCC/Chevron hazardous liquid pipeline system (crude oil) where UOCC/Chevron has failed to complete the remediation of 50 percent wall loss anomalies found on the 12 ¾-inch Bruce Platform pipeline riser. The 12 ¾-inch Bruce Platform pipeline riser *special permit segment* is located in the Kenai Peninsula Borough of the Cook Inlet in the state of Alaska. This special permit, if granted, would allow UOCC/Chevron to continue to operate the pipeline in the *special permit segment* at maximum operating pressure (MOP) of 340 psig, its existing MOP. The 12 ¾-inch Bruce Platform pipeline riser *special permit segment* is located in the Kenai Peninsula Borough of the Cook Inlet of Alaska, which is a high consequence area (HCA) as defined by 49 CFR § 195.450.

Special Permit Segments and Special Permit Inspection Areas:

For the purpose of evaluating UOCC/Chevron's special permit request, PHMSA has defined the *special permit segment* as follows:

- ***Special permit segment*** – is defined as the 12 ¾-inch Bruce Platform pipeline riser consisting of approximately 134 feet of pipeline from the platform pig receiver facilities to a subsea flange at the base of the platform.

Public Notice:

On January 26, 2010, PHMSA posted a notice of this special permit request in the Federal Register (75 FR 4136). PHMSA received one comment from the State of Alaska, Department of Natural Resources concerning this special permit application as a result of this notice. The request letter, Federal Register notice, and all other pertinent documents are available for review in Docket No. PHMSA-2009-0407 in the Federal Docket Management System (FDMS) located on the internet at www.Regulations.gov.

Analysis:

Pipeline Safety Regulations

Notwithstanding certain exemptions, the Federal pipeline safety regulations in 49 CFR § 195.452(h)(3) and (h)(4)(iii)(E) require hazardous liquid pipeline operators to schedule evaluation and remediation of an area of general corrosion with a predicted metal loss greater than 50% of nominal wall within 180 days of discovery when located in a HCA.

UOCC/Chevron's – Circumstances, Reasons, and Benefits for a Special Permit

In its special permit application UOCC/Chevron states:

“The 12-inch riser was inspected utilizing a tethered ultrasonic testing tool in the summer of 2008. The final inspection report indicated a metal loss feature with 64% wall loss. In reviewing the inspection data, a minimum remaining wall thickness of 0.180 inches or 36% of the original wall thickness was noted. ANSI B31G pressure calculations indicate there is no need for pressure de-rating of the riser because the metal loss has not reduced the wall thickness to less than that required for the MOP. Given the remaining wall thickness and the MOP of the heavy walled pipe, the identified feature is not a “Safety-Related Condition”; however, it does meet the 180-day repair criteria under 49 CFR § 195.452(h)(4)(iii)(E).”

The normal operating pressure of this pipeline is 90 psig, causing a hoop stress of 3% of Specified Minimum Yield Strength (SMYS) of the original new-condition riser pipe. With the reduced wall thickness, an operating pressure of 90 psig, the pipeline operates at 9% of SMYS. In either case, this is a low stress pipeline, operating at less than 20% SMYS.

Chevron cannot meet the 180-day repair requirement because this metal loss feature is located at an inaccessible location on the riser at the bottom, inside of Leg 3 of the Bruce Platform, below the lowest tide level. Leaving the feature unrepaired will not jeopardize public safety or environmental protection because there is sufficient wall thickness remaining, given the MOP, and because the riser is wholly contained inside of Leg 3.

Operating the pipeline riser under a special permit would have several benefits to UOCC and the public:

- *Allows oil production to continue from the Anna Platform for delivery of oil to the local refinery; and*
- *Continues to provide revenue to the State of Alaska (80-85% of Alaska's revenue comes from the oil industry)."*

UOCC/Chevron also re-inspected the 12 ¾-inch Bruce Platform Riser special permit segment with an internal ultrasonic inspection pig furnished by A. Hak Industrial Services during the time period of February 10, 2010. The preliminary findings of the report were reviewed in a report received by PHMSA from UOCC/Chevron and prepared by A. Hak Industrial Services dated February 18, 2010. The preliminary findings of this report concluded the following:

Corrosion anomaly #1, log distance of 19.34 meters, had a remaining wall loss of 4.9 mm (0.124 inches) during the August 27, 2008, ultrasonic (UT) inspection. Anomaly #1 had a wall loss of 5.7 mm (0.145 inches) during the February 10, 2010, UT inspection.

Corrosion anomaly #2, log of distance 38.10 meters, had a remaining wall loss of 4.0 mm (0.101 inches) during the February 10, 2010, UT inspection. This wall thickness loss is a calculated growth rate of 0.6 mm (0.0152 inches) from the August 27, 2008, UT inspection. This anomaly has a remaining wall thickness of 4.6 mm (0.1168 inches).

For corrosion anomaly #1 the February 18, 2010, UT inspection report stated that "the reason for not observing the 4.9 mm remaining wall thickness during the current inspection is that during the 2008 inspection this wall thickness was observed in a very small pit within a very large corrosion area." With reference to the A. Hak system specifications, the probability for this type of small metal loss defects is less than 50% and consequently this type defect can be easily missed.

UOCC/Chevron submitted a letter to PHMSA dated March 5, 2010, stating that current wall loss from the ultrasonic ILI inspection conducted the week of February 10, 2010, indicated a 69% wall thickness loss in the 12-3/4-inch diameter, 0.500-inch wall thickness, Grade B (35,000 pounds per square inch (psi)) steel pipe.

UOCC/Chevron's – Preventative and Mitigation Measures

UOCC/Chevron submitted an application letter to PHMSA dated May 26, 2009, stating the following preventative and mitigation measures:

“Chevron employs various preventative and mitigative measures to minimize the inherent risks associated with operating hazardous liquid pipelines. These measures include:

- *Pipeline instrumentation that continuously monitors pipeline pressures,*
- *High and low pressure alarms and automatic shutdown devices to prevent pipeline failure, and*
- *Aerial patrols each week.*

These patrols are used to observe surface conditions on and adjacent to the pipeline right-of-way for indications of leaks, construction activity, exposed pipe, erosion, or other factors that may affect the safety and operation of the pipelines. Routine patrols have been instrumental in finding gas leaks and non-pipeline related spills in the past. The aerial pipeline patrols are formally documented every two weeks, as required by DOT regulations and in accordance with Chevron/UOCC's Standard Operating and Maintenance Procedures Manual for Hazardous Liquids Pipelines.

Chevron's mitigation plan is to increase monitoring of the affected pipeline. Chevron plans to re-inspect the pipeline in 2010, monitor the condition of the pipeline, and then re-assess the mitigation plan.”

UOCC/Chevron on March 5, 2010, submitted to PHMSA a letter outlining the following mitigative actions to be implemented:

“UOCC has committed to perform the following activities to enhance monitoring and to enhance the shutdown procedure:

1. *Daily monitoring of the atmosphere inside the leg utilizing a handheld gas detector. This will provide early detection of an oil leak, by detecting the associated gas which will also be released from the pipeline in the unlikely*

event a failure were to occur inside the leg. This is a temporary measure until a permanent gas detector can be installed.

- 2. Permanent installation of a gas detector inside the leg – this will take 2-4 months to complete.*
- 3. Check cathodic protection levels inside leg during RAT crew inspection. The platform external jacket and pipelines receive CP current from an impressed current system; this testing is to determine if CP current is gathering inside the leg or being shielded.*

Other enhancements which are being investigated:

- 1. If CP is being shielded, investigate feasibility of installing supplemental anodes inside the leg on the riser.*
- 2. Reduce MOP from 340 psig to a lower pressure.*
- 3. Consider a permanent installation of a stand pipe with an electrical submersible pump to remove oil from inside the leg in case of leak.*
- 4. Re-inspect the riser in 2 ½ years instead of the 3 ½ year interval recommended in the engineering analysis (see Attachment H).*
- 5. Enhanced environmental monitoring or response plan outlined in SP application. Enhanced environmental monitoring and spill response was discussed in the meeting. When a low pressure alarm on the pipeline occurs, operations follows the Pipeline Specific Operations Manual (PSOM) Abnormal Operation Procedure 4.2 for guidance on detecting low pressure, potential causes, and operator response. (See Attachment F). In the case of an oil spill, the Incident Command System (ICS) would be implemented and the UOCC Oil Discharge Prevention and Contingency Plan (C Plan) OPA Sequence Number 1223) would direct the spill response effort. Part 1 of the C Plan outlines the Response Action Plan and has an “Immediate Response Checklist” to guide the responders. Appendix A of the C Plan outlines the response to a Worst Case Discharge Scenario, which includes pipeline releases on the Bruce Platform (See Attachment G).*

In addition to the activities outlined in the Special Permit application and above, UOCC has committed to perform the following activities to enhance environmental monitoring and response:

- 1. UOCC has implemented daily visual monitoring of the area around the pipeline riser leg area (during the slack tide and daylight hours to enhance effectiveness) in order to detect a sheen that might indicate a leak. These visual inspections are being documented by the platform personnel on the daily tour sheet.*
- 2. An enhanced site specific emergency procedure is being developed for responding to gas detection inside the leg or sheen detection inside the leg. Response to an external spill to the water around the platform is outlined in*

C plan. We plan to complete this task and incorporated into the PSOM by May 15, 2010.

Firm revised MOP and how calculations determined – show maximum length and width and error added to arrive at SAFE pressure and design factor used in R-STRENG. Refer to Attachment H.

- Coffman engineers calculated hoop stress, safe pressures and the remaining service life of the riser. The hoop stresses were calculated using Barlow's formula. The safe pressures were determined using ASME B31G "Remaining Strength of Corroded Pipe". Various conditions of corrosion were evaluated and the precision of the inspection tool (AHak Piglet) was addressed in the calculations. The stress, safe pressure, and service life calculations are attached. The calculations conclude that, due to the low Maximum Operating Pressure (MOP) of 340 psi, the pipe has adequate pressure capacity up to 79% wall loss (current wall loss is 69%). Also, applying ASME B31G "Remaining Strength of Corroded Pipe" shows that the safe operating pressure is greater than the current MOP. Therefore, pressure and stress are not a factor and the analysis indicates no need to reduce the MOP at this time. Based on the smart pig results and the associated engineering analysis, the service life (defined for the purposes of this evaluation, as the time for the corrosion to advance to 80% metal loss) is the controlling factor since, at 80% metal loss: the inspection tool data are questionable, the calculation methods are not applicable and regulations require immediate repair. The calculations estimate that the remaining service life is approximately 7 years. The API-570 re-inspection interval of half of the service life concludes that the riser should be re-inspected in 3½ years or less."*

Operations and Integrity Management

In its special permit application, UOCC/Chevron acknowledged that a leak of crude oil in the *special permit segment* could affect a HCA. UOCC/Chevron has identified corrosion on the 12 ¾-inch Bruce Platform pipeline riser *special permit segment* as a continual corrosion threat and has completed in-line inspection (ILI) assessments. The corrosion anomalies identified on the *special permit segment* are general corrosion anomalies that have a pipe wall thickness loss of up to 64%. UOCC/Chevron has not implemented any preventative measures on the special permit segment to date. The corrosion anomalies were found during an August, 2008, ultrasonic inspection (UT) tool run to meet the provisions of 49 CFR § 195.452. UOCC/Chevron in 2001 had also found anomalies in this *special permit segment* above the water line and had repaired them. UOCC/Chevron did run a second UT Tool in the special permit segment in February, 2010, to identify anomaly growth.

Comments received from the Federal Register Notice

The State of Alaska, Department of Natural Resources in a letter dated February 26, 2010, submitted the following comment concerning the UOCC/Chevron special permit application:

“After careful review of the information UOCC provided to PHMSA, we submit these comments and offer recommendations:

1. *The October 16, 2009, letter from Dana L. Register of PHMSA requested UOCC to submit additional information. In particular, one item requested “Preventive and mitigative measures to protect the high consequences area as required by 49CFR 195.456 (i).” UOCC responded by offering three broad mitigation measures:*
 - *Pipeline instrumentation to continuously monitor pipeline pressures,*
 - *High and low pressure alarms, and*
 - *Aerial patrols each week.*

Ms. Register requested two things: Preventive and mitigative measures. The measures suggested by UOCC are detection and monitoring activities designed to discover the release of oil. Mitigation implies lessening or alleviating the effects of spills in high consequence areas, while prevention in the truest sense of the word means to preclude or avoid spills. The Special Permit Request does not explain how UOCC proposes to prevent the acceleration of corrosion, or lessen the likelihood of additional corrosion of the riser. Oil industry critics may argue the Special Permit Request is a stopgap means to allow UOCC to monitor the corrosion until a leak is detected.

The UOCC proposal to conduct weekly aerial patrols for oil sheen is both impractical and dangerous. It fails to consider the prevailing weather, waves, seasonality, and current. The HAZMAT Report 96-7, “Aerial Observations of Oil at Sea” dated April 1996, and published by the Modeling and Simulation Studies Branch, Hazardous Materials Response and Assessment Division of the National Oceanic and Atmospheric Administration, offers guidance on how to perform oil spill detection over-flights. The report contains several caveats emphasizing the unreliability of seeing and measuring sheen or slick thickness “...factors that make this technique unreliable are on-scene weather and difficulties in estimating area of coverage. Waves will increase natural dispersion during the early parts of the spill, break surface tension that causes the oil to look ‘slick,’ and mix some of the oil into the surface layer temporarily.” In summary, patrols to detect oil sheens are only effective if the water is calm enough to see it and observers know what to look for.

The PSIO recommends PHMSA request UOCC to develop a pro-active approach to this problem through engineered solutions or replacement of the riser.

2. *Ultrasonic examination of piping with active corrosion is not as accurate as the inspection contractor contends. The ultrasonic device is no more accurate than*

ultrasonic pigs used elsewhere in the pipeline industry. The bottom line is this: measuring actual depth of corrosion pitting, in an ideal environment is nominally within +/- 10 to 20 thousandths of an inch. Variables in ultrasonic examination such as location method, operator experience, calibration of the device, ambient and service temperature, and analytics introduce errors. We understand that the examination in February of this year involved an "upgraded" tool, thus potentially introducing additional errors due to differences in calibration. PSIO is skeptical of the stated accuracy of the tool and repeatability of results. The thickness readings taken in 2008 and in 2010 provide only two data sets. It is doubtful that quantitatively reliable data from two sets of readings will prove conclusive. As is often the case, system variability on the first examination could result in thicker readings on the second inspection, thus skewing the readings. If UOCC chooses to examine the riser piping in two-year increments, they may have enough information to establish a reasonably accurate trend by 2014.

At a minimum, I suggest that PHMSA require UOCC to conduct ultrasonic examinations of the riser at least annually with the same personnel, the same tool using the same calibration protocols. The key is to eliminate variables that introduce error.

Alaska is under a national environmental microscope. Aside from the regulatory matters, the political and environmental ramifications of a spill in Cook Inlet are grave and if oil is released the consequences will impact our entire oil and gas industry. Over the long term, the ripple effect of a spill in Cook Inlet will seriously affect future opportunities for exploration and opportunities for other producers."

The State of Alaska has particular expertise concerning the conditions in which oil platforms near its shores operate and would be uniquely affected by the requested action and as a result, PHMSA gives substantial weight to the views submitted by the State of Alaska. In addition, the alternative measures proposed by UOCC/Chevron consist in large part of enhanced monitoring. While this approach may detect a leak, unfortunately it will be after the leak happens. The objective of the integrity management regulations, however, is to help ensure that leaks do not occur in the first place.

PHMSA Conclusion

PHMSA is obligated to ensure that a systematic approach is taken that ensures substantial wall loss due to corrosion is mitigated. In addition, the ultrasonic tool has limitations in terms of accurately finding small pinhole corrosion in the riser pipe that could develop into crude oil leaks. Even relatively small oil leaks would have potential ramifications on the sensitive environment of the Cook Inlet. UOCC/Chevron was unable to demonstrate that an alternative

set of measures to compliance with the existing remediation requirements in §195.452 would provide an adequate margin of safety and environmental protection.

Findings:

Based on the information submitted by UOCC/Chevron, State of Alaska comments to the Federal Register docket for this special permit application, and PHMSA's analysis of the technical, operational, safety and environmental issues, PHMSA finds that granting this special permit would be inconsistent with pipeline safety. Accordingly, PHMSA denies this special permit application.

APR 27 2010

Completed in Washington DC on: _____

Prepared By: PHMSA – Engineering and Emergency Support