

STATE OF ALASKA

**DEPT. OF ENVIRONMENTAL CONSERVATION
DIVISION OF SPILL PREVENTION AND RESPONSE
INDUSTRY PREPAREDNESS AND PIPELINE PROGRAM
TAPS/VMT Section**

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December 31, 2003

OIL DISCHARGE PREVENTION AND CONTINGENCY PLAN AMENDMENT APPROVAL

Mr. Robert I. Shoaf
JPO Executive Liaison
Alyeska Pipeline Service Company
P. O. Box 196660
Anchorage, AK 99519

Dear Mr. Shoaf:

SUBJECT: Trans Alaska Pipeline System (TAPS) Pipeline Oil Discharge Prevention and Contingency Plan (CPlan) Strategic Reconfiguration (SR) Amendment dated June 30, 2003, as revised. ADEC Plan No. 015-CP-4131.

The Alaska Department of Environmental Conservation (Department) has completed its review of the July 1, 2003 application for approval of the following Oil Discharge Prevention and Contingency Plan No. 015-CP-4131 Strategic Reconfiguration Amendment. The Strategic Reconfiguration Amendment was revised on August 14, 2003 and November 14, 2003.

Amendment Name & Dates: Strategic Reconfiguration Amendment, dated July 1, 2003 as revised August 6, 2003 and November 14, 2003 to the Trans-Alaska Pipeline System Pipeline Oil Discharge Prevention and Contingency Plan, November 30, 2001, as amended December 31, 2001.

Plan Holder: Alyeska Pipeline Service Company (APSC)

Covered Facilities: Pipeline and Pump Station operations for the Trans-Alaska Pipeline System from Pump Station 1 to the boundary of the Valdez Marine Terminal, including Pump Stations 1 – 12.

The Alaska Department of Environmental Conservation's (Department's) review and approval of the APSC Strategic Reconfiguration Amendment (SR Amendment) to the TAPS Oil

Discharge Prevention and Contingency Plan (Cplan) is limited to authorities granted in Alaska Oil and Hazardous Substance Pollution Control statutes and regulations found in Alaska Statute Title 46, Chapters 3 & 4 (AS 46.03 & AS 46.03) and Alaska Administrative Code Title 18, Chapter 75 (18 AAC 75). This approval decision does not address any aspect of APSC's Strategic Reconfiguration Project that is not included in the TAPS Pipeline Oil Discharge Prevention and Contingency Plan review.

PLAN AMENDMENT APPROVAL: The Department has determined that the referenced plan amendment satisfies minimum planning standards and other requirements established under applicable statutes and regulations and can be approved with conditions. The approval of the amendment is subject to the following terms and conditions:

TERMS AND CONDITIONS:

Condition of Approval Number 1: Incorporation of Major SR Editorial Changes into TAPS Pipeline Cplan

Within 45 days of this approval, incorporate the following SR Amendment sections into the approved TAPS Pipeline Cplan:

- a. SR Amendment Section 1.1 Determining Response Planning Standard (RPS) for Crude Oil Pipeline, RPS Calculated with Pump Station 7 Operational, revisions identified as Editorial Change (EC) only, pp. 1-1 through 1-2.
- b. Table 1.1, Pump Station Relief Tank Minimum Levels and Volumes, revisions identified as EC only, p. 1-5.
- c. Section 1.1.1.2, Pump Station 2, revisions identified as EC, p. 1-5.
- d. Section 1.1.1.3, Pump Station 3, revisions identified as EC, p. 1-5.
- e. Section 1.1.1.7, Pump Station 7, revisions identified as EC, p. 1-8.
- f. Section 1.1.1.10, Pump Station 9, revisions identified as EC, p. 1-10
- g. Section 1.1.1.11, Pump Station 10, revisions identified as EC only, pp. 1-10 through 1-11.
- h. Section 2.1.3, Pump Station Locations, revisions identified as EC, pp. 2-5 through 2-6.
Section 2.3.2.1, Incident Commander, revisions identified as EC, p. 2-24.
Table 2.8, Vendor and Support Contractor Information, revisions identified as EC, pp. 2-95 through 2-99.
- k. Section 2.1.9.24, VEH/021 Alyeska Commercial Motor Vehicle Program, pp. 2-160 through 2-161.
Section 2.1.9.25, VEH/023 Commercial Motor Vehicle Truck and Trailer Practical, p. 1-161.
- m. Section 2.7, Response Contractor Information, revisions identified as EC only, pp. 2-139 through 2-140.

- n. Section 3.1.5, Transfer Procedures, revisions identified as EC only, pp. 3-9 through 3-11.
- o. Table 3.1, Transfer Procedures and Guidelines per 18 AAC 75, revisions identified as EC only, pp. 3-11 through 3-16.
- p. Table 3.2, DOT Crude Oil Breakout Tanks, revisions identified as EC only, p. 3-20.
- q. Table 3.3, ADEC-Covered Aboveground Vertical Storage Tanks >10,000 gallons (238 barrels), revisions identified as EC only, p. 3-21
- r. Table 3.4, Minor Tanks – Horizontal Aboveground, revisions identified as EC only, p. 3-22.
- s. Table 3.7, Secondary Containment Areas Subject to Daily Inspection, revision identified as EC, p. 3-31.
- t. Section 3.7, Compliance Schedule and Waivers

Section 3.7.1 Containment Site Enhancements: Upgrades and Additions

- ii. Table 3.16, Containment Site Enhancements, R1, R3, R4, & R5 revisions
- iii. Section 3.7.3 Helicopter Support
- Section 3.7.4, New Equipment
- v. Section 3.7.5, Risk Analysis and Management for Strategic Reconfiguration Changes (*NOTE - See Condition of Approval No. 2 regarding this section.*)
- vi. Section 3.7.6, Implementation Schedule (*NOTE - See Condition of Approval No. 3 regarding this section.*)
- vii. Section 3.7.7, Management of Change (*NOTE - See Condition of Approval No. 3 regarding this section.*)
- viii. Section 3.7.9, Pump Station Secondary Containment Waivers
- ix. Section 3.7.10, Truck Offloading Secondary Containments, EC revision only
- x. Sections 3.7.3, 3.7.4, 3.7.5, & 3.7.6 (original) all removed.

Condition Number 2: Risk Analysis Update and Fate & Transport Study

The Capstone Risk Analysis Update and “crude oil fate and transport Study” described in Section 3.7.5 of the SR Amendment must be completed as described below before any response personnel or equipment are reduced or re-located as described in the SR Amendment. As described below, specific additional TAPS Cplan amendments must be submitted and will be subject to public and Department review according to procedures outlined in 18 AAC 75.455.

- a. Prior to incorporation of any portions of the SR Amendment not specifically identified above in Condition of Approval No. 1, APSC must complete the Capstone Risk Analysis update, evaluate its findings and conclusions, develop an additional plan amendment summarizing its findings, and submit the amendment for review at least 90 days prior to implementation as described in this Condition and Condition of Approval No. 3.

Approach and Methodology of Risk Analysis Update. The Risk Analysis update shall be conducted for the entire TAPS Pipeline. The methodology employed must follow the description included in the TAPS Pipeline Cplan, Section 3.3.3.1 with the following exception: Contrary to the assumption in the original Risk Analysis, APSC must factor all changes in TAPS maintenance and surveillance programs and their implementation under Strategic Reconfiguration into the update.

The Risk Analysis should include identification of risks associated with the new mainline pump units that will be located outside of the present manifold buildings and thus outside of secondary containment.

- iii. Schedule. The Capstone Risk Analysis update shall be completed and a copy of the report provided to the Department no later than 120 days prior to proposed implementation of any SR Amendment changes beyond those identified in Condition Number 1 above. APSC must prepare a plan amendment summarizing its findings, including actions to reduce risks identified in the update. If APSC proposes additional risk reduction actions, a detailed work plan and schedule must be submitted as a Compliance Section amendment. These amendments must be submitted at least 90 days prior to any proposed implementation of any portion of the SR Amendment, and as noted above, they will be subject to Department and public review.
- b. The SR Amendment may be implemented by designated TAPS Pipeline Regions R1, R2, R3, R4 and R5. Prior to implementation of the SR Amendment for a Region, APSC must complete the corresponding regional portion of the "fate and transport study" described in Section 3.7.5 of the SR Amendment, evaluate its findings for the pertinent Region, develop an additional plan amendment summarizing Regional findings and submit the amendment for that Region for review at least 90 days prior to proposed implementation as outlined in Condition of Approval No. 3.

APSC will coordinate with the Department on the design and scope of the study. The TAPS crude oil spill fate and transport study shall be conducted for the entire pipeline. The study shall minimally include or focus on the following factors, although it may be expanded as APSC wishes:

- Pathways and trajectories of releases, accounting for seasonal and environmental variables such as terrain slope, vegetation absorption properties, and open-channel flow;
- Spill hydraulics and dynamic spill volume segment changes;
- An evaluation against APSC's response timing assessments, current response capabilities, and results of the Risk Analysis update; and
- Identification of potential mitigation efforts for areas where response may be impacted; Potential mitigation efforts to be considered include:

- On-land response tactics, including civil response
 - Additional equipment
 - Pre-staged equipment sites
 - Identification and planning for new Containment Sites
 - Improvements to current Containment Sites
- ii. Schedule. The crude oil spill fate and transport study may be conducted on a regional basis to facilitate APSC's Regional SR implementation schedule. APSC must prepare a plan amendment summarizing its findings. If APSC proposes additional measures such as those outlined in (b)(i) above, a detailed work plan and schedule must be submitted as a Compliance Section amendment. The study for Region 5 must be completed and provided to the Department no later than 120 days prior to proposed implementation of Region 5 SR Amendment changes beyond those identified in Condition of Approval No. 1 above. Similarly, as each of the fate and transport study for Regions 1, 2, 3, and 4 are completed, they must be provided to the Department no later than 120 days prior to proposed implementation of the pertinent Region SR changes. An amendment must be submitted to the Department that summarizes the findings of the study for each Pipeline Region at least 90 days prior to proposed incorporation of the corresponding SR Amendment sections into the Cplan, and as noted above, amendments will be subject to public and Department review according to procedures outlined in 18 AAC 75.455.

Condition Number 3 Regional SR Implementation and Requirement for Final Public Review

APSC must notify the Department and provide Management of Change documents 90 days prior to proposed implementation of the SR Amendment for any Region. In addition, APSC must submit all portions of the SR Amendment to be considered for implementation in the Region at least 90 days prior to the proposed implementation for that Region. In order to ensure the public has adequate opportunity to review and comment on non-routine plan amendments, each portion of the SR Amendment will undergo a final 30-day review in accordance with procedures outlined in 18 AAC 75.455 prior to incorporation into the TAPS Pipeline Cplan. The SR Amendment implementation schedule is designated by TAPS Regions: R1, R2, R3, R4, and R5 respectively. Therefore, prior to implementation of SR changes to the response or prevention operations for the five regions covered in the TAPS Pipeline Cplan, APSC must:

- a. notify the Department at least 90 days prior to the proposed implementation dates (for changes designated as R1, R2, R3, R4 or R5 as appropriate);
- b. provide Management of Change documents outlining plans for transition at least 90 days prior to the proposed implementation dates;
- c. provide the Department with each portion of the SR Amendment to be incorporated into the TAPS Pipeline Cplan (appropriate Region designations,

including any modifications and any supplemental information developed since the November 14, 2003 SR Amendment revision) at least 90 days prior to the proposed implementation dates; and

- d. work with the Department to facilitate a final 30-day public review of each portion of the SR Amendment in accordance with 18 AAC 75.455.

If the final Regional SR Amendment submissions are complete, the Department will expedite final approval decisions to accommodate the 90-day notification period.

Condition Number 4: TAPS Pipeline Oil Spill Exercise Program

In accordance with the Conditions of Approval regarding TAPS Pipeline Oil Spill Exercise Program Schedule requirements from the November 29, 2001 Cplan approval and the June 30, 2003 Cplan approval extension, APSC will be required to make the following modifications:

- a. By October 1, 2004, provide an updated Oil Spill Response Exercise Program Schedule that extends through the end of the TAPS Pipeline Cplan renewal period (November 30, 2006), including at least eight (8) drills and exercises that are commensurate with Combined Resource and Scenario exercises.
- b. The updated Oil Spill Response Exercise Program Combined Resource and Scenario exercises conducted from November 2004 through November 2006 are to focus on demonstrating APSC spill response capabilities by deploying personnel and equipment in a manner that will validate the new and modified oil spill scenarios contained in the SR Amendment. The Department and the agencies of the JPO will work with APSC through the RPG to assure the scope and objectives for each exercise will provide the required validation.
- c. To ensure that the public has adequate opportunity to review and comment on non-routine plan amendments, the updated Oil Spill Response Exercise Program will be reviewed in accordance with review procedures outline in the regulations under 18 AAC 75.455.

Condition Number 5. Scenario Revisions

The Department and the agencies of the JPO will work with APSC through the RPG to identify recommended Cplan and scenario revisions based on lessons learned from the Combined Resource and Scenario exercises and/or actual discharge responses. Agreed upon lessons learned must be incorporated into the Cplan, and specifically into the oil spill scenarios, in the 2006 TAPS Pipeline Cplan renewal application.

Condition Number 6: Future SR Project Modifications

If, during the course of finalizing the SR Project design, APSC proposes any additional changes in its facility, operations, or management structure that will potentially impact the oil spill prevention and response planning described in the TAPS Pipeline Cplan, additional amendments must be submitted as appropriate. If any modifications are made to the systems described in Part 4 of the Cplan, APSC must submit amendments describing those changes and updating the required Best Available Technology (BAT) analyses to demonstrate continued compliance with BAT regulations found in 18 AAC 75.425(e)(4) and 18 AAC 75.445(k).

The Department, at its discretion, may seek advisory input or consultation with subject matter experts or other stakeholders regarding spill response and contingency planning issues. The Department will, at its discretion, inform stakeholders of significant items to be addressed by the plan holder prior to submission of an application for final public reviews of the SR Amendment as a means to facilitate expeditious review.

ADJUDICATORY HEARING: Any person who disagrees with this decision may request an adjudicatory hearing in accordance with 18 AAC 15.195 – 18 AAC 15.340 or an informal review by the Division Director in accordance with 18 AAC 15.185. Informal review requests must be delivered to the Spill Prevention and Response Division Director, 410 Willoughby Avenue, Suite 303, Juneau, Alaska 99801, within 15 days of the permit decision. Adjudicatory hearing requests must be delivered to the Commissioner of the Department of Environmental Conservation, 410 Willoughby Avenue, Suite 303, Juneau, Alaska 99801, within 30 days of the permit decision. If a hearing is not requested within 30 days, the right to appeal is waived. A copy of the hearing request must also be served on the undersigned and the permit applicant as required by 18 AAC 15.200(c). A copy of the request must also be provided to the department in an electronic format, unless the department waives this requirement because the requestor lacks a readily accessible means or the capability to provide items in an electronic format.

If you have any questions, please contact Becky Lewis at (907) 257-1374

Sincerely,



Bill Hutmacher
Program Manager

enclosure TAPS Pipeline Cplan Strategic Reconfiguration Amendment Findings Document
and Response to Comments

cc Wes Willson, APSC
Joe Hegna, APSC
Dave Norton, APSC
Jerry Brossia, AO, BLM/JPO
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