

Joint Pipeline Office

State and Federal



2004 - 2005

ANNUAL REPORT



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Executive Summary

This 2004-2005 annual report provides an overview of Joint Pipeline Office (JPO) activities, major accomplishments, and plans for year 2006. The report is divided into sections: a brief description of the JPO; JPO responsibilities and oversight of the Trans-Alaska Pipeline System (TAPS); federal and state agency pipeline oversight highlights and responsibilities; and other items of interest.

The single largest project JPO focused on during 2004-2005 was the Strategic Reconfiguration (SR) Project for the TAPS. JPO was notified that this major upgrade was being considered during the TAPS right-of-way renewal (ROW) process in the late 1990's. Conceptual modifications to TAPS were reported in the November 2002 Final Environmental Impact Statement (FEIS) for ROW renewal. An Environmental Assessment (EA) of the proposed reconfiguration of the pipeline system was completed in January 2004, and an EA pertaining to reconfiguration of the Valdez Marine Terminal (VMT) was completed in January 2005.

There are several components to the SR project. Initially, a great deal of JPO's efforts related to work planning and scheduling, staff assignments, and coordination of activities. The Notice to Proceed (NTP) process and regulatory requirements were communicated to Alyeska Pipeline Service Company (APSC). Once NTP applications were submitted to the JPO, project reviews and field surveillance of SR activities commenced. An amended Oil Discharge Prevention Contingency Plan (C-plan) was reviewed and approved. This is a complex and challenging project requiring considerable JPO resources. Looking ahead to 2006, plans will be developed for oversight of project completion and start up.

This report includes sections highlighting agency activities. The Bureau of Land Management (BLM) section covers responsibilities and TAPS oversight activities. State agency highlights are covered in the State Pipeline Coordinator's Office (SPCO) section. A significant portion of the Alaska Department of Natural Resources (ADNR) staff work on pipelines other than TAPS while the Department of Environmental Conservation, Department of Labor and Workforce Development, and Department of Public Safety focus on mostly TAPS oversight.

The State Gas Pipeline Group is processing the following pipeline ROW lease applications:

- TransCanada Alaska Company, L.L.C and the Alaska Northwest Natural Gas Transportation Company to transport natural gas from Prudhoe Bay to Alberta, Canada.
- Alaska Natural Gas Development Authority for a natural gas pipeline conditional ROW lease from Glennallen to Palmer.
- Two overlapping conditional ROW lease applications were submitted by ADNR, Office of Project Management and Permitting in 2006. One application is for a gas pipeline and the other is for an oil pipeline. The pipelines are proposed to go from the vicinity of Point Thomson to Prudhoe Bay.

The remainder of this report is comprised of a list of major JPO events, 2006 work plans and commitments, and chronology of events for 2004-2005.

The Joint Pipeline Office



The JPO is an umbrella organization with the ADNR and BLM as administrative managers of the office. The joint agency concept allows for coordination, eliminates duplication of work by various agencies, and creates a consensus-building forum in which members are able to share each other's information, expertise, and resources.

A number of services and functions are performed throughout the year. The following are the core services practiced by the JPO. While each project is different and agency participation varies, the services still apply.

Administration

- Personnel
- Records management
- Information technology
 - Document Tracking System (DTS)
 - Comprehensive Monitoring Program (CMP)

Budget

Right-of-Way Administration

- Federal Agreement and Grant and State Lease
- Land Use, Temporary Use, and Fish Habitat Permits
- Archaeological and Cultural Site Clearances
- Material sales
- Water use authorizations
- ROW lease applications and amendments
- Access authorizations

Engineering

- Notices to Proceed
- Technical reports
- Code interpretation

Oversight/monitoring/inspections

- National Environmental Policy Act (NEPA)
- Coastal Zone Management (CZM)
- Federal Grant of ROW
- State ROW Lease
- Oil Discharge Prevention and Contingency Plan
- Electrical codes
- Safety codes
- Fire codes

One function of the office is to evolve with the pipeline environment, to cover all of the oversight bases, and insure that the regulatory environment smoothly interacts with the pipeline industry to advance the work of transporting natural resources throughout the state every day of the year.

The current state and federal agencies participating in the JPO are:

State Agencies

Department of Natural Resources
Department of Environmental Conservation
Department of Public Safety
Department of Labor and Workforce
Development
* Department of Fish and Game
* Department of Transportation and
Public Facilities

* No full-time staff located in the JPO

Federal Agencies

Bureau of Land Management
* U.S. Department of Transportation
* Minerals Management Service
* Coast Guard
* Environmental Protection Agency

Each JPO agency retains its unique regulatory authority and may have multiple responsibilities. The common responsibility is the regulation and oversight of the TAPS. BLM is primarily dedicated to TAPS oversight. Several ADNR staff are dedicated to TAPS oversight. The broader focus of many ADNR staff is administration of 16 other constructed pipelines, one conditional lease in addition to seven new pipeline ROW applications that are being processed.

The JPO is comprised of staff with technical expertise in land management, engineering, geophysics, fish and wildlife biology, safety codes, electrical codes, fire codes, and oil spill planning and response. The staff consists of seven engineers, eight natural resource specialists and managers, three biologists, one physical scientist, one geophysicist, one fire specialist, and two

safety/electrical specialists. Cumulatively, the JPO technical staff offers decades of experience specific to pipeline oversight.

The JPO is organized functionally. Agency personnel participate in self-directed work teams (response and preparedness, corrosion, special projects) and work to an annual work plan. Field activities are communicated and coordinated to eliminate duplication of activities.

Agency products (correspondence, surveillances, reports, etc.) are entered into the CMP databases and filing systems. This system has enhanced information sharing by making the information readily available to staff. The CMP is used in various ways, including decision-making, work planning, budget preparation, and maintaining a history of the office.

JPO Oversight of the Trans-Alaska Pipeline System (TAPS)

Comprehensive Monitoring Program

The JPO oversees and administers APSC's operation of TAPS. The purpose of the CMP is to verify compliance with conditions of the State Lease and Federal Grant and other legal requirements. The monitoring program identifies deficiencies and establishes formal notifications of those deficiencies and correction expectations to APSC, imposes correction deadlines, tracks and retains information, and verifies results. Oversight results and reports are generated from electronic records maintained on the program.

The CMP focuses on the following areas:

Employee Concerns Program	Alaska Native Utilization Agreement
Environmental Protection Program	Employee Safety Program
Project Performance	Operation of the TAPS
TAPS Maintenance Program	Construction
Quality Assurance	Grant & Lease Compliance
TAPS Sustained Useful Life	

JPO's annual compliance monitoring activities primarily fall into three categories:

Project approval and monitoring
Surveillance monitoring
Assessments

TAPS north of Pump Station 5



Strategic Reconfiguration (SR)

In 2004, the TAPS SR project was approved by the pipeline owners to replace 30-year-old pump and control systems with state-of-the-art systems that are easier and less expensive to operate and maintain. Electrically driven pumps will be installed at four pump stations (1, 3, 4, and 9) and upgrades will be made to automate key systems. The goal of the reconfiguration is to extend the economic life of the pipeline through increased efficiencies, while maintaining safety, integrity, and environmental performance standards.

Major JPO SR activities:

- Review and consideration of public comments for amendment to the TAPS Oil Discharge Prevention and Contingency Plan (C-plan) based on the SR Project.
- Conducted an environmental assessment to identify and evaluate the probable environmental impacts of the TAPS SR project. A Finding of No Significant Impact (FONSI) and Decision Record were issued January 30, 2004.
- Finalized the scope of work document for the VMT and participated in a safety integrity level planning session for Pump Stations 5, 6, and 7, and a process hazards analysis at Pump Station 1.

- Reviewed Preliminary Design submissions required by Stipulation 1.7 as well as an amendment to the C-plan covering the changes proposed in SR.
- Completed a Benchmarking Study examining the experience of other pipelines with systems similar to those proposed in SR.
- Met with the Prince William Sound Regional Citizens' Advisory Council (PWSRCAC), the Coast Guard, and the City of Valdez to discuss the VMT SR project and JPO process.
- Conducted a public scoping meeting in the Valdez.
- Conducted oversight of maintenance and SR activities during planned shutdowns August 16 and 17, 2004 and June 19, and 20, and July 23 and 24, 2005.
- Traveled to Bellingham, WA and Los Angeles, CA to learn about internal floating roof tanks proposed for the VMT.
- Oversaw the removal of the turbines from PS 12 in advance of isolating the station during a planned pipeline shutdown in June 2005.
- Observed the factory testing of the new variable speed 6500 HP motors.
- Conducted a National Environmental Policy Act (NEPA) review and analysis and issued an EA and FONSI in March 2005.
- Completed Preliminary Design Review.
- Issued a public notice regarding the Analysis of Amendment Application and Proposed Decision in response to APSC's request to amend the TAPS ROW lease to add approximately 10 acres of state land to construct a power line to supply electrical power to Pump Station 1.
- Issued 18 NTPs by the end of 2005. 14 other NTP packages were in various states of review.
- Issued 64 technical reports regarding SR in 2004-05.

Check Valve 109



After JPO conducted an assessment in March 2005 to evaluate TAPS Mainline Valve Reliability, a Notice was sent to Alyeska requesting they address concerns in the assessment that require corrective action. A response was requested by and received on October 31. A specific concern related to Check Valve (CKV) 109 as it was found to have exceeded the internal leak-through rate during testing performed during the regularly scheduled maintenance shutdowns in June and July, 2005. JPO will conduct surveillances on the CKV 109 replacement during the July 2006 maintenance shutdown.

Brushing Policy Revision

Pursuant to several Federal Grant and State Lease Stipulations, APSC is obligated to prevent or minimize damage to, and protect fish and wildlife resources and habitats, water quality, lands from erosion, aesthetics, and vegetation resources on state and federal lands along the TAPS. Brushing is performed to clear foliage away from close proximity to TAPS because of fires. APSC must maintain vegetation along the right-of-way and in riparian buffer zones. In 2001, APSC and JPO worked together to modify an existing brushing policy with specific requirements for meeting these conditions. Additional changes were identified and completed in August 2005.

These revisions clarified the intent of the policy and established standards for APSC to follow. This helps APSC meet its obligation to protect the vegetation along the ROW.

Joint In Line Working Group

A Technical Work Group Charter was adopted by JPO and APSC in January 2005 and first met in April to review the charter and clarify the issues. The working group focus areas are:

- Studies for resolving paraffin issues, determine corrosion growth rates for TAPS, and ensure the continuous operation of impressed current cathodic protection systems (a technique to prevent corrosion of a metal surface).
- Examine how to reduce wax buildup on in-line inspection tools and how that affects the corrosion mitigation and remediation programs at APSC, determine how paraffin formation will affect cold and cool restart, investigate how the new SR facilities and the retained facilities will operate under various scenarios involving throughput disruptions and decreased temperatures in future years.

TAPS Oil Spill Contingency Plan (C-plan)

There are a number of oil spill plan requirements including those in the Federal Grant, State Lease, state statute, and federal codes. JPO agencies that administer the C-plan requirements are:

Alaska Department of Environmental Conservation (ADEC)
U.S. Bureau of Land Management (BLM)
U.S. Department of Transportation (DOT)
U.S. Environmental Protection Agency (EPA)

The JPO Oil Spill Prevention, Preparedness, and Response Coordination Team is comprised of representatives from ADEC, BLM, and EPA. The JPO Coordination Team and APSC work to improve the C-plan on an on-going basis. The JPO Team plans, participates in, and observes numerous exercises every year as well conduct announced and unannounced inspections and exercises. The Team conducts on-going monitoring of equipment, training, lessons learned, and APSC commitments.

The Team participates in project reviews. On December 3, 2004, the Team met with APSC and its contractor, Det Norske Veritas (DNV), to review the status of TAPS Oil Spill Risk Assessment Studies to support the SR project. The project study incorporated a systematic approach and database to document and evaluate risk criteria, fate and transport modeling, risk management alternatives, and mitigation options along segments of TAPS. The goal was to manage a process for APSC to achieve cost effective compliance and C-Plan approval conditions in connection with SR objectives.

In 2004, JPO contracted with an independent audit consultant to look at various aspects of the training and exercise program for the TAPS, based on issues raised by a concerned employee. Based on this report, the JPO made suggestions for improvements and conditions for C-plan renewal.

The review focused on two questions about the TAPS oil spill training and exercise program:

1. Does APSC have a system to ensure that oil spill response training course material is linked to the C-plan and that oil spill training is presented to oil spill response personnel at appropriate intervals?
2. Does APSC have a defined method for recording oil spill drill and exercise results that identify potential line-wide lessons learned and tracks recommended corrective action to completion?

The conclusions and recommendations for improvement in the report were reviewed by the JPO and considered during the annual plan renewal.

A JPO technical report was written after analyzing the appropriate means to implement the recommendations that included improved class handouts and more opportunities for, and better documentation of hands-on training. The technical report included a recommendation that a greater level of oil spill training was required by March 31, 2005.

APSC's report titled "Exercise Program and Lessons Learned" recommends that APSC and the pipeline regulators pay close attention and take action on lessons learned contained in after action reports. Surveillances were conducted during 2005 to follow-up on the plan improvements.

MP 400 TAPS Bullet Hole Response

Since 2001 JPO has monitored the area as clean up efforts continued, and followed up on lessons learned. Improved hydraulic clamps, pump around skids, and fire foam skids were manufactured and acquired as a result of lessons learned. Source control tests have been observed by staff and amendments have been incorporated into the C-plan to consider the new equipment.

Continued surveillance focuses on pollution control as well as recovery of the areas affected by the spill and response activities. The site is monitored for freezing/thawing conditions, vegetation advancement in the affected area, groundwater levels, and surface water appearance.

Historic Properties Programmatic Agreement

The Federal Record of Decision written for TAPS renewal identified an ongoing initiative "to develop a Programmatic Agreement with the State of Alaska Historic Preservation Office (SHPO) and the National Advisory Council on Historic Preservation (NCHP) regarding protection and mitigation of cultural and historic resource impacts." The purpose of the agreement is to provide a system for evaluating which future TAPS-related activities may potentially impact historic properties and to address potential impacts. The Agreement was signed by the BLM, ADNR, SHPO, and NCHP during September and October 2005.

2006 TAPS Oversight

Looking ahead to 2006, several projects will require significant staff and resources:

1. TAPS SR will continue throughout the year. Staff will conduct project reviews, process NTP applications, conduct field surveillance, and prepare for start up later in the year.
2. The TAPS C-plan is undergoing significant restructuring necessitating a review and approval process.
3. The TAPS Quality Plan is also undergoing significant changes that will require in-depth review.

Federal Bureau of Land Management



Units of Accomplishment

In 1993, Congress passed the Government Performance and Results Act that tied performance to budget and individual accountability towards units of accomplishment. This required development of strategic plans and development of an auditable process to tie the reportable accomplishments to the actual dollars spent. The BLM developed a system based on the various programs for which they receive funding that inputs the planned units of accomplishment by program element. Units are counted when an activity is completed i.e., the document that is produced by the activity is completed. Examples of this would be: an agreement is negotiated and the document is signed; a ROW is renewed and the ROW document is executed; a surveillance is completed; an NTP is approved; a Notice of Order is issued; a quarterly billing is sent out; an audit is completed, etc.

There are four program elements that apply to BLM's work in the JPO.

1. Conduct land and realty compliance inspections
2. Process mineral material disposals
3. Process land and resources permits/licenses/easements
4. Process ROW Grants
5. Technical and design review for NTP and project approvals

TAPS C-plans

The BLM annually reviews and approves the C-plans as part of a broader responsibility of TAPS oversight. The Federal Grant addresses virtually all aspects of TAPS design, construction, maintenance, and operations. Administration of the Grant includes oversight of integrity-related issues from documentation, to normal maintenance requirements, to quality assurance, to emergency operations. BLM administration of the Grant also takes place in the broader context of the JPO where the State and Federal agencies work together in their respective oversight of TAPS.

Annual Plan Approval for 2004 – This approval addressed both the conditions for the annual review and the conditions of approval for the SR project amendment. Plan approval requirements included follow-up requirements from 2002; MP 400 follow-up; Copper River area enhancements; pipeline right-of-way maintenance; and valve performance. SR requirements included an updated risk analysis; PS 12 equipment and storage assessment; initial responders availability definition; helicopter upgrades; JPO drills and exercise requirements; pump modules and secondary containment; and management of change plan requirements.

Annual VMT Plan Approval for 2005 - Training issues and lessons learned during oil spill exercises were looked at and coordinated with the VMT C-plan Coordination Group. The Group is comprised of representatives from JPO and APSC who meet regularly to discuss new technology, on-going C-plan issues, and outstanding issues.

Annual TAPS Plan Approval for 2005 – The plan approval included requirements from previous approvals not yet completed: update on the leak detection project and Geographic Information System (GIS) project; MP 400 follow-up items; and Copper River enhancements required in the

TAPS Renewal FEIS. The approval also included requirements related to SR, requirements dealing with oil spill response training and exercise program; and requirements dealing with lessons learned from exercises.

Annual VMT Plan Approval for 2006 – The BLM noted that the progress made during 2005 in evaluating training needs and gaps is laudable. The submitted work plan for the remaining work, including drafting the new training program and the plan amendment in 2006, is detailed and well laid out.

Annual TAPS Plan Approval for 2006 - BLM issued its annual approval for 2006 with some approval requirements:

- APSC to prepare a summary report upon the completion of improvements to the proposed Gulkana River areas of opportunity and additional Copper River boat access at the Copper Center Lodge.
- APSC and the JPO to work through the Response Planning Group (RPG) (comprised of APSC and agency representatives) to develop a maintenance program to address periodic vegetation clearing at culvert sites.
- Develop a method for documenting hands-on training through the RPG.
- Establish minimum training requirements through the RPG.
- Standardize duty rosters through the RPG.
- APSC shall develop and conduct oil spill exercises using terrorist attack scenarios along the pipeline right-of-way or at the pump stations. Appropriate security agencies need to be involved.

C-plan Annual Review Technical Report - This technical report was done to support the approval for 2006 discussed above. The technical report reviews approvals from previous years and the status of any requirements that were imposed. Of those requirements, many need no further action while others need on-going or continued actions of APSC or of the BLM, and thus remain open.

The BLM approved the Region 5 Amendment to the C-plan. The plan was submitted by APSC to the ADEC and the BLM for review and approval on May 16, 2005 with additional information dated August 23, 2005 including changes stemming from the SR Project. The BLM review was concurrent with the ADEC's and included information gained through the state's process to receive public comment and additional information from APSC.

JPO – Fairbanks, 2004

The office was comprised of six BLM staff.

Reliability Centered Maintenance (RCM) – The RCM protocol is used to examine critical systems and describe their function, determine how they can fail to perform that function, and determine how failure can be mitigated or prevented. As APSC proceeded with implementation of the RCM2 methodology, the JPO conducted periodic checks to validate accomplishments of the tasks prescribed to address the failure modes that were identified as having hidden, safety, or environmental consequences. These checks were documented by JPO on surveillance reports for tracking of the maintenance implementation in a quantifiable manner. An assessment report presented the status of oversight efforts accomplished to date for RCM2 on the pipeline and did not include the VMT or the Streamlined RCM analyses.

The JPO – Fairbanks conducted surveillances to verify 123 RCM2 failure mode recommended tasks on the TAPS in 2003/2004 per a Memorandum of Agreement dated June 27, 2002. After evaluating the results of the surveillances, the JPO was unable to independently substantiate that Alyeska was completing the RCM2 program failure mode recommended tasks on TAPS. The assessment pointed out a lack of consistency with implementation that led to an internal APSC assessment of the RCM process that confirmed the JPO surveillance findings. From this internal assessment APSC established a one-year core RCM action team to focus on implementation and develop a long term process.

Fire Service Coordination – JPO has been coordinating communication between the BLM Alaska Fire Service and APSC in regards to establishing areas along the ROW that may need brushing, and areas that have structures or bridges. The Fire Service is developing a database for the ROW so in the event of a fire they can identify what is in the area and what type of response is needed. This effort was put on hold by the Alaska Fire Service until they can support it at a later date.

Cathodic Protection – The JPO-Fairbanks monitored the cathodic protection excavations and checked that rectifiers were operating in the field. The yearly review of the TAPS Valve Maintenance Management Plan (TVMMP) annual report was accomplished for compliance and monitored field work pertaining to mainline valves. Monitoring involved buried check valve (CKV) investigations and vaulting of check valves. All TAPS mainline CKVs are now vaulted. APSC replaced Actuator/Operator/Motors on 20 remote gate valves (RGVs) and reinsulated 10 RGVs. Stem seals were repaired on five RGVs. JPO monitored these efforts in the field.

Maintenance Shutdowns – JPO-Fairbanks monitored the two maintenance shut downs in 2004 involving major SR tie-in work at two pump stations and significant maintenance work on the entire mainline and VMT that can only be accomplished with a shutdown.

The office developed and continues to work the environmental monitoring plan. The plan provides useful tools and guidelines for JPO environmental field monitoring. Work continues on verification of ongoing contaminated site remediation. Also in the works is a training course for the environmental monitoring plan.



Section 29 of the Federal Grant (Training of Alaska Natives) – Issues and monitoring compliance were instrumental in the 2004 Alaska Native Utilization Agreement (ANUA) renewal, signed by the Secretary of the Interior in October of 2004.

SR Investigations – Field monitoring is on-going for SR.

JPO surveillance of new PS 9 piping for SR

Integrity Investigations – JPO-Fairbanks monitored 21 mainline integrity investigation sites excavated and 14 fuel gas line sites excavated.

Aerial Surveillance – JPO-Fairbanks developed an aerial surveillance program and now flies the corridor monthly and after any events looking for areas that may not be safe, could jeopardize pipeline integrity, and/or the environment.

JPO – Fairbanks, 2005

In addition to the six BLM staff, one DNR representative was located within the office in 2005.

RCM - JPO continues to conduct periodic checks to validate accomplishments of the tasks prescribed to address the failure modes identified as having hidden, safety, or environmental consequences. These checks have been documented by JPO on surveillance reports for tracking of the maintenance implementation in a quantifiable manner.

Alaska Fire Service - JPO continues to coordinate communication between the BLM Alaska Fire Service and APSC in regards to establishing areas along the ROW which may need brushing, and areas that have structures or bridges.

Employee Concerns - The JPO received an APSC employee concern in regards to the TAPS mainline RGVs and CKVs. The JPO investigated the complaint that consisted of multiple concerns and conducted several interviews regarding maintenance, preventative maintenance and testing of the mainline valves, and researched the TVMMP reports.

Based on the JPO investigation of the concerns, the existing conditions did not support all of the concerns or require emergency action by the JPO. Several observations did support additional follow-up to validate compliance with the JPO approved design basis and criteria and the Federal Grant and State Lease.

The JPO also investigated an APSC employee concern regarding the TAPS above ground pipe and conducted several interviews regarding maintenance and testing of the load cells and split rings, researched the TAPS, MP 166 yearly reports, and made field visits.

Based on the JPO investigation of the concerns, the existing conditions did not support all of the concerns or require emergency action by the JPO. The JPO is continuing to monitor the RCM process for TAPS above ground pipe maintenance and preventative maintenance using the established JPO surveillance procedures.

JPO conducted an assessment of excavations performed by APSC and APSC contractors to determine if measures had been taken to protect the health and safety of persons working in and around excavations and ensure safety and integrity of the pipeline system during excavation and backfill activities. The assessment was limited to the calendar years 2002, 2003, & 2004 and first quarter 2005 and included reviews of:

- JPO excavations evaluations and surveillances
- APSC excavation evaluations by APSC Safety
- APSC and contractor competent person
- APSC and contractor designated on-site management
- Excavation accident and incident history
- SA 38 Corporate Safety Manual Section 2.6 Excavation Safety

JPO found that if the following areas are not addressed, they could lead to non-compliance with the Grant and Lease: documentation of competent person training, on-site management training,

and job site evaluations by APSC safety staff are either non-existent or need improvement. APSC has made correction action commitments to JPO in response to previous incidents, and those corrective actions have either not been documented or not fulfilled.

In addition, JPO recommended APSC Safety document all job evaluations. At a minimum, the documentation should include the date of visit, person(s) contacted, what was observed, and if discrepancies are noted what corrective actions were taken.

JPO conducted an assessment of Solid Waste Disposal Sites. 55 surveillances were conducted.

JPO – Valdez, 2004

The office was comprised of four BLM and one DEC staff.

The office conducted 190 surveillances, one assessment, two engineering reports, and 22 Employee Concerns Program/Equal Employment Opportunity investigations. In addition to the normal field operations the office participated in the following:

- Two field trips to observe the operations and use of internal floating roof tanks.
- Two incident investigations with APSC and the US Coast Guard on VMT operation.
- Two risk assessments for upcoming changes to the VMT under the SR project.
- Three spill exercises on the TAPS and VMT.
- Four quarterly Prince William Sound Regional Citizens Advisory Council (PWSRCAC) meetings and weekly coordination meetings with local staff.
- Ballast Water Treatment (BWT) Fate Study.
- Three VIP trips.
- Two foreign visitor groups.
- Continuous coordination with JPO agencies.

JPO – Valdez, 2005

As APSC proceeds with implementation of the RCM methodology, the JPO is continuing to conduct periodic checks to validate accomplishments of the tasks prescribed to address the failure modes identified as having hidden, safety, or environmental consequences. These checks have been documented by JPO on surveillance reports for tracking of the maintenance implementation in a quantifiable manner. An assessment report presented the status of oversight efforts accomplished to date for RCM2 on the VMT.

The JPO received an APSC Employee Concern in regards to the TAPS Mainline RGVs and CKVs. The JPO investigated the complaint, consisting of multiple concerns, and observed two CKV 109 tests.

The JPO - Valdez observed the decommissioning of PS12 and the start up of the Glennallen Maintenance and Response Center.

173 surveillances were completed covering maintenance, environmental, and RCM issues.

Alaska Native Utilization Agreement



On October 15, 2004, Secretary of the Interior Gale Norton (pictured) signed the renewal of the Alaska Native Utilization Agreement (ANUA) for TAPS.

The original agreement, documented in Section 29 of the TAPS Grant of ROW, provides for Alaska Native training and employment throughout the life of the pipeline. It stems from an agreement struck between oil company executives, the Department of the Interior, the State of Alaska, and Alaska Native leaders to allow the construction of the TAPS to move forward.

Employee Concerns Program

BLM established a toll-free confidential Hotline in 1993 for the public and APSC and contractor employees to report concerns. BLM considers an employee concern to be a statement or assertion of impropriety or inadequacy associated with the construction, operation, maintenance or management of TAPS and affects the quality, safety, environmental protection, and pipeline integrity of TAPS. A critical focus of oversight is to ensure that employees of APSC or employees of APSC's contractors can voice their concerns about technical and business practices in an atmosphere that promotes free and open communications.

In 2004 a technical report, initiated in response to employee concerns about leak detection systems on TAPS was issued. Employee concerns regarding remote impressed current cathodic protection systems installed on the mainline and age discrimination reports by employees of APSC were investigated.

An independent audit was contracted by BLM (referenced in the C-plan section of this report under JPO Oversight of the TAPS) based on an employee concern. The scope of the review was defined as the result of discussions with the filer of the concern, a desire not to duplicate a recently completed APSC internal audit addressing C-plan issues, and time and resource limitations for the study.

BLM investigated concerns from a TAPS employee regarding mainline valve performance, pump around skids, and source control tactics. A Notice was sent to APSC requiring corrective action.

Units of Accomplishment Numbers

The BLM fiscal year runs from October 1 through September 30 of the next year.

Fiscal Year 2004 - Units of Accomplishment Numbers			
	Target Numbers	Actual Numbers	Completed %age
Process Mineral Material Disposal (contracts/permits)	10	20	200%
Process Geophysical Permits, Licenses	37	36	97%
Process ROW Grants (# of actions)	5	7	140%
Realty-Geophysical Compliance Inspections	1100	1090	99%

Fiscal Year 2005 - Units of Accomplishment Numbers			
	Target Numbers	Actual Numbers	Completed %age
Process Mineral Material Disposal (contracts/permits)	15	16	107%
Process Federal Land Policy & Management Act Leases, Permits, Licenses, & Easements	50	148	296%
Process ROW Grants (# of actions)	5	7	140%
Realty-Geophysical Compliance Inspections	908	969	107%

BLM's Alyeska Pipeline Service Company Expenditures - Fiscal Year 2004				
Budget	Compliance	Pipeline SR	VMT SR	Compliance & SR
Salaries	\$2,199,556	\$478,736	\$96,163	\$2,774,456
Utilities	100,166	15,415	0	115,581
Services/contracts	20,874	230,610	1,630	437,114
Equipment	52,237	23,323	0	75,560
Total other -	47,196	14,258	1,925	63,379
Misc/software	20,759	5,423	0	26,191
Travel	26,437	8,826	1,925	37,188
Subtotal	2,604,029	762,343	99,719	3,466,090
21% indirect rate	546,846	160,092	20,941	727,879
Total	\$3,150,875	\$922,435	\$120,660	\$4,193,969

BLM's Alyeska Pipeline Service Company Expenditures - Fiscal Year 2005				
Budget	Compliance	Pipeline SR	VMT SR	Compliance & SR
Salaries	\$2,207,780	\$753,689	\$125,307	\$3,086,776
Utilities	55,722	19,198	10,207	85,127
Services/contracts	113,482	121,977	104,880	340,339
Equipment	14,828	9,165	1,408	25,401
Total other -	67,971	20,333	5,855	94,160
Misc/software	16,307	6,218	1,538	24,063
Travel	51,664	14,115	4,317	70,096
Subtotal	2,459,784	924,362	247,656	3,631,803
18.4% indirect rate	452,600	170,083	45,569	668,252
Total	\$2,912,385	\$1,094,445	\$293,225	\$4,300,054

State Pipeline Coordinator's Office (SPCO)



The SPCO was established through the ADNR under the authority granted by Article III of the Alaska Constitution and by Alaska Statute 44.17.060. The authority is outlined in Administrative Order 134 and 187. Additionally, the Commissioner has delegated certain statutory authorities to subordinates including the State Pipeline Coordinator (SPC) by a “Delegations of Authority” memorandum (Department Order 003).

The SPCO co-locates staff from the ADNR, Office of Habitat Permitting and Project Management (OHMP) and Office of Permitting and Project Management (OPMP); Alaska Department of Environmental Conservation (ADEC); Alaska Department of Labor and Workforce Development (ADOL/WD); and the Alaska Department of Public Safety, State Fire Marshal's Office (SFO) within the JPO. One ADNR representative was assigned to the JPO-Fairbanks office late in 2005 to perform TAPS oversight. The ADEC liaison resides in the JPO-Valdez office.

The **ADNR** administers approximately 90 million acres of state-owned land, as well as rights granted in land-use leases, permits, material sales, water rights, and water use.



The **OHMP/ADNR** administers the permit program to protect anadromous fish and their freshwater habitats and to ensure efficient fish passage in all water bodies.



The **OPMP/ADNR** is the lead agency for Large Project Permitting and the Alaska Coastal Management Program.



The **ADEC** regulates and issues permits to operate facilities that may affect air quality, generate waste, hazardous material treatment storage and disposal, or oil spill contingency plan approval.

The **DOL/WD** reviews practices and procedures pertaining to occupational safety electrical and pressure hour codes to protect pipeline company.



and health; mechanical, systems; and wage and employees of the



The **DPS / State Fire Marshal's Office** concentrates on fire and safety inspections, plan reviews, fire investigations, and public safety education.

ADNR/SPCO annually negotiates with the participating state agencies for services in support of SPCO to process applications and perform oversight through Reimbursable Service Agreements (RSAs).

Pipeline ROW Leasing Process and Pipeline Regulatory Oversight



The **SPCO** is responsible for the administration and oversight of pipeline ROW leases issued under Alaska Statute AS 38.35, the "Alaska Right-of-Way Leasing Act." The administration of these leases includes processing ROW applications, drafting leases for ADNR Commissioner approval, implementing the public review process, issuance of project specific authorizations, and monitoring compliance with lease conditions.

Alpine Pipeline in the distance

A ROW lease issuance normally requires approximately 18 months to accomplish provided the application is complete and no major project changes arise.

Major Steps in Obtaining a State ROW Lease

- Application
- Notice of Receipt
- Prepare Draft Commissioner's Analysis and Proposed Decision
- Draft Lease
- Notice of Draft Commissioner's Analysis and Proposed Decision
- Final Commissioner's Analysis and Proposed Decision
- Final Lease and Permits

Including TAPS, the SPCO currently administers 17 pipeline ROW leases, one conditional ROW lease, and is processing several other pipeline ROW applications: Dayville Road Pipeline Project, Alaska Natural Gas Development Authority (ANGDA) Glennallen to Palmer Spur Line application, and the TransCanada application. The pipeline ROW leases currently administered by the SPCO are:

Alpine Diesel Pipeline, Alpine Oil Pipeline, Alpine Utility Pipeline
Badami Sales Oil Pipeline, Badami Utility Pipeline
Endicott Pipeline
Kenai Kachemak Pipeline

Kuparuk Pipeline, Kuparuk Pipeline Extension
 Milne Point Pipeline, Milne Point Products Pipeline
 Nikiski Alaska Pipeline (Tesoro)
 Northstar Gas Pipeline, Northstar Oil Pipeline
 Nuiqsut Natural Gas Pipeline
 Oliktok Pipeline
 Trans-Alaska Pipeline

The SPCO has developed a lease compliance monitoring program for these rights-of-way that operates on a cyclic basis and is comprised of three main elements: 1) compliance monitoring; 2) annual lessee reports; and 3) the annual State Pipeline Coordinator's Report. Surveillances conducted in 2004-05 follow:

2004 right-of-way surveillances

32 Operational Material Sites
 76 Alpine Utility
 75 Alpine Oil
 77 Alpine Diesel
 9 Kenai Kachemak Pipeline
 76 Northstar Oil
 77 Northstar Gas
 66 Nikiski

2005 right-of-way surveillances

31 Operational Material Sites
 7 Kenai Kachemak Pipeline
 16 Alpine Diesel
 19 Alpine Oil
 16 Alpine Utility
 20 Badami Oil
 3 Badami Utility
 4 Endicott
 8 Nikiski

2004 Authorizations - ROW & Permits Lease Administration Program

4 TAPS lease amendments (Legal description modifications)
 1 North Slope Lease Amendment (Legal description modifications)
 5 temporary water use authorizations issued or amended
 7 operating material site contracts issued or amended
 12 land use permits Issued

2005 Authorizations

4 lease amendments (Legal description modifications)
 1 Cook Inlet lease amendment for sub-sea repairs
 21 temporary water use authorizations issued or amended
 1 operating material site contract issued or amended
 27 land use permits issued

2004 OHMP/SPCO TAPS Activities

40 fish habitat permits
 4 applications resulting in "No Permit Required" letters issued
 1 written comment on other agency permits
 11 field reviews / total field days: 62
 24 surveillances conducted
 TAPS C-plan review

2005 OHMP/SPCO TAPS Activities

- 46 fish habitat permits
- 4 applications resulting in “No Permit Required” letters issued
- 2 fish habitat permit applications withdrawn
- 6 written comments on other agency permits
- 70 field reviews / total field days: 14
- 30 surveillances conducted
- TAPS C-plan review

Summary of OHMP Permit and Field Activities

The number of Title 41 projects (requiring fish habitat permits) reviewed and/or permitted by the JPO Liaison over the past five years were 51 permits in Fiscal Year (FY) 2000, 71 in FY 2001, 67 in FY 2002, 61 in FY 2003, 45 in FY 2004, and 58 in FY 2005. The average review period for OHMP to review and issue the necessary authorization(s) at the JPO in FY 04 was 10 days (the statewide average was 14 days); in FY 05 the average review period at the JPO for Title 41 was 7.1 days, and 8.7 for Other Agency reviews (the statewide average for Title 41 was 12.0 days, and 13.8 for Other Agency).

ADEC/SPCO TAPS and VMT Activities

The DEC coordinates the environmental plans, functions, powers, and programs of the state, in cooperation with the federal government, to manage the basic resources of water, land, and air to the end that the state may fulfill its responsibility as trustee of the environment for the present and future generations.

The DEC Liaison works in the JPO Valdez Office and two oil spill response and prevention staff reside in the JPO Anchorage Office.

ADEC is required to review and approve the TAPS and VMT plans every five years. The next application for renewal of the TAPS plan is due by May 30, 2006 with an application for renewal of the VMT plan due by June 5, 2007.

There are five components of ADEC’s RSA with the SPCO; major highlights and accomplishments follow:

Project 1: Coordinate DEC TAPS activities by the DEC/JPO Liaison:

- DEC single point of contact.
- DEC actions are recorded in the JPO database.
- Participated in plan reviews
- Coordinated permits issued within the JPO.
- Injected RSA activities into the JPO Work Plan.
- Represented DEC requirements for TAPS Operations.
- Managed the projects and administrative functions in support of the SPCO.
- Notified the SPCO of DEC enforcement actions.
- Participated in the JPO TAPS Comprehensive Monitoring Program.

Project 2: TAPS C-plan – Industry Preparedness Program (IPP) major accomplishments:

- TAPS C-plan – one major public reviewed amendment approved.
- TAPS SR Amendment Condition of Approval, Risk Analysis Update and Fate & Transport Study, completed and incorporated into Region 5 Amendment.
- VMT C-plan Waste Management Amendment – ensured that APSC complied with their C-plan Compliance Schedule and initiated a public review.
- VMT C-plan – identified oil spill response training program deficiencies; ensured that APSC develop a compliance schedule and work plan to bring the oil spill training program and tracking processes into compliance; and to schedule a significant amendment to the VMT C-plan.
- Conducted inspections at the VMT and the pump stations; and worked with APSC to plan and evaluate oil spill response exercises (one of which was an agency initiated unannounced exercise).

Project 3: TAPS Strategic Reconfiguration

- Assisted with plans to ensure compliance with DEC regulations and authorities.
- Reviewed and approved C-plan amendments.
- Assisted JPO in compliance verification of TAPS SR activities.
- Ensured compliance with conditions of approval issued with the December 31, 2003 SR Amendment.
- Commented on updates of the TAPS SR risk analysis.
- Ensured coordination between SR project and oil spill issues (leak detection, etc.).
- Reviewed VMT SR C-plan amendments in accordance with 18 AAC 75.455.

Project 4: Compliance Oversight, TAPS and VMT

The DEC Valdez Oversight Unit (VOU) was co-located with the JPO Valdez Field Office (BLM) for a period during the term of this RSA. The primary functions of the VOU were to: work with the JPO Valdez Field Office to conduct field surveillance; to monitor TAPS facilities along the southern half of TAPS; and to assist other DEC program activities on the VMT.

Project 5: Common Carrier Pipelines

During the term of this RSA, the focus was on TAPS SR and development and implementation of the JPO environmental oversight plan with minimal activity requested by the SPCO for other pipelines.

ADEC RSA Work Plan Accomplishments

Work plan activity	Planned	Accomplished
APSC crude tank oversight/ cleaning / inspection	0	2
Review of TAPS project environment plans	8	19
Monitor ADEC Enforcement actions	as needed	4
Review of monthly spill reports	16	16
Consult with JPO staff on environmental issues	12	23
Represent DEC at JPO/industry/public meetings	36	45
DEC actions recorded in the JPO data base	as needed	7
Coordinate DEC/JPO SR activities, TAPS	12	24
Coordinate DEC/JPO SR activities, VMT	12	17
C-plan Implementation and compliance schedules	8	19
TAPS Response Planning Group Meetings	12	10
VMT Response Planning Group Meetings	12	9
Participate in pipeline plan drills	8	9
RSA project monitoring and reporting to JPO	12	8
Stipulation 2.2 Pollution Control	as needed	9
Stipulation 2.13 Reporting of Oil Discharges or Other Pollution	36	17
Stipulation 2.14 Contingency Plans	as needed	1
Stipulation 3..2 TECHNICAL	8	6
Stipulation 3.11 Containment of Oil Spills	as needed	10
Stipulation 4.1 State Laws, Regulations, Permits and Authorizations	12	27
Opacity observations of tanker emissions	12	0
NPDES other water quality permits / compliance	7	10
TAPS air quality permits / compliance	7	19
BWT BTEX effluent sampling project	4	0
Quarterly sampling of VMT BWT influent	4	0
Liaison with PWSRCAC	32	35

DPS/Fire Prevention TAPS and VMT Activities

The DPS Fire Marshal position provides technical, policy, and code interpretation support to JPO in all fire protection matters as they relate to the changes to be made under the SR project. This position also provides plan review and inspection services for all new construction and the modification/remodel of existing buildings, fire systems, and fuel tanks undertaken in the SR project. The position represents the State Fire Marshal in meetings and planning sessions required by SR.

Annual Fire Prevention Inspections are conducted at all TAPS facilities. Of the 400 plus buildings inspected in 2004, only a few minor violations were found with no violations in the buildings that have oil moving through them.

In 2005, inspections were conducted at Pump Stations (PS) 1 through 12, VMT, Nordale Yard, North Pole Metering, Petro Star Metering, two active airports, and Ship Escort and Response Vessel Service (SERVS) buildings in Valdez. The results of inspections conducted in 2003 and 2004 provided clear evidence that APSC has made outstanding efforts to improve the fire prevention program with the company. The State Fire Marshal's Office reported that this effort continued into 2005 and the fire prevention program now conducted by APSC finds most of the fire hazards and corrects them without having them pointed out.

Most of the violations noted in the 2005 inspections were minor in nature and all but two corrected on the spot or before the Fire Marshal's report was completed or were put on work orders or preventive maintenances.

The State Fire Marshal's Office conducts fire prevention and life safety inspections. Some specific reviews conducted for the SR NTP process were:

- State fire safety regulations – cyclone turbine generator buildings and turbine generator installation, plans for the telecommunications buildings, module installation and tie-in, general installation/remodel of PS 11, variable frequency drive modules and pump modules, electrical substation control module and back up generator, fabric storage buildings, temporary break trailer.
- Relocation of office buildings from PS 10 to PS 11 and relocation of buildings from PS 12 to PS 11.
- Approved plans for a fire alarm system upgrade in ballast water treatment buildings at the VMT.
- Had no objection to the relocation of PS 12 television receive only module to the drag reducing agent facility at Milepost (MP) 238.
- Issued a certificate of approval for construction of a temporary 52 bed man camp at PS 3.



JPO surveillance of new substation near PS 9

DOL/WD Activities

2004 Liaison Accomplishments

The Department of Labor Safety Liaison serves as the Labor Program Manager for JPO work and technical and policy liaison to the JPO. He coordinates with JPO managers to accomplish Labor objectives through execution of the JPO work plan and other JPO efforts and coordinate with JPO staff so that field surveillance occurs

in as efficient a manner as possible.

- Surveillances – Conducted 23 surveillance evaluating APSC for compliance with Sections 9 and 16 and Stipulations 1.18, 1.20, 1.21, and 4.1 of the State ROW Lease and Sections 9 and 16 and Stipulations 1.18, 1.20, and 1.21 of the Federal Agreement and Grant of ROW.
- Performed annual inspection of APSC facilities.

JPO safety activities - As the JPO Safety Officer, the liaison:

- Conducted an annual safety inspection of JPO offices.
- Conducted work station ergonomic surveys for JPO staff.
- Conducted new employee safety orientation for new JPO staff.
- Conducted Field Safety Training for JPO staff that travel to the field.
- Conducted security awareness training for JPO staff that travel to the VMT.
- In coordination with the JPO Fire Marshal, conducted an evaluation of the APSC work process for the SPC.
- Training - Completed Occupational Safety and Health Administration (OSHA) 309A Electrical Standards training and attended the Governor's Safety Conference during this fiscal year.

2004 Electrical Inspector Accomplishments

The Electrical Inspector consults and inspects on National Electric Code (NEC) and National Electric Safety Code issues and electrical licensing requirements.

- Averaged of two trips per month to TAPS facilities to conduct these inspections.
- Conducted 146 inspections.
- Issued 66 Notices of Violation.
- Checked 31 Certificates of Fitness.
- Checked 3 contractor licenses.
- Issued one Cease and Desist.
- Provided three written and 64 verbal electrical code interpretations to APSC and their contractors.
- Conducted 37 consultations with JPO staff on electrical issues.
- Conducted two employee concern investigations.
- Attended the International Association of Electrical Inspectors conference.
- Performed Kenai-Kachemak Pipeline (KKPL) electrical installation inspection.

2005 Accomplishments

ADOL enforcement activities (other than electrical) - OSH cited Houston NANA for failure to properly record injuries on the OSHA 200 log in March 2002 - case closed in February 2005.

Liaison Accomplishments

- An assessment of the APSC excavation procedures and safe practices was conducted with no significant findings.
- APSC and APSC contractor accident reports were reviewed monthly, none of which were significant and warranted additional investigation.
- Conducted at least 15 consultations with JPO staff on safety issues.
- Participated in one evaluation of an oil spill exercise in Fox, Alaska.
- Conducted 27 surveillance evaluating APSC for compliance with Sections 9 and 16 and Stipulations 1.18, 1.20, 1.21, and 4.1 of the State ROW Lease and Sections 9 and 16 and Stipulations 1.18, 1.20, and 1.21 of the Federal Agreement and Grant of ROW including:
 - Annual inspections of APSC facilities
 - PS 4 Culvert Replacement
 - Fuel gas pipeline integrity investigations
 - Tazlina Bridge inspection
 - Surveillance of the PLMP 234 integrity investigations

As the JPO Safety Officer, the liaison:

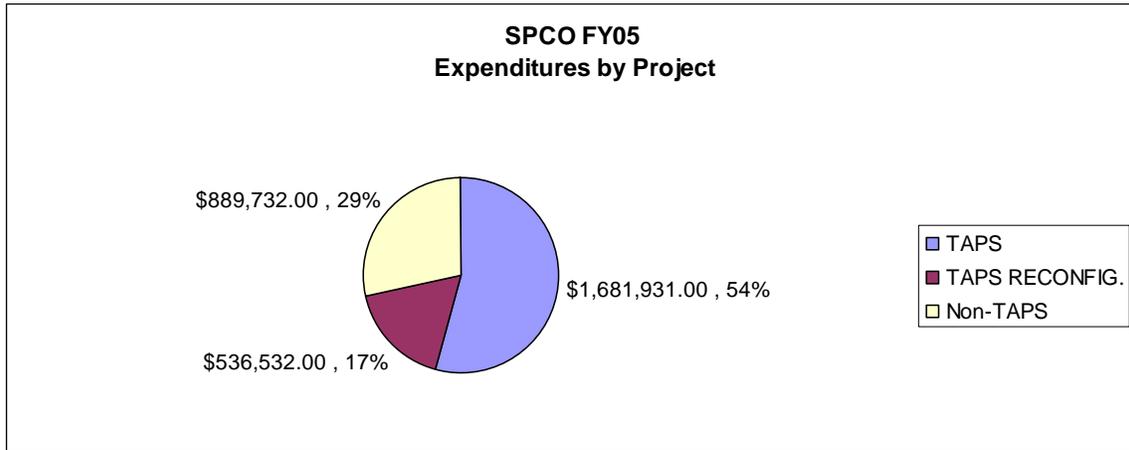
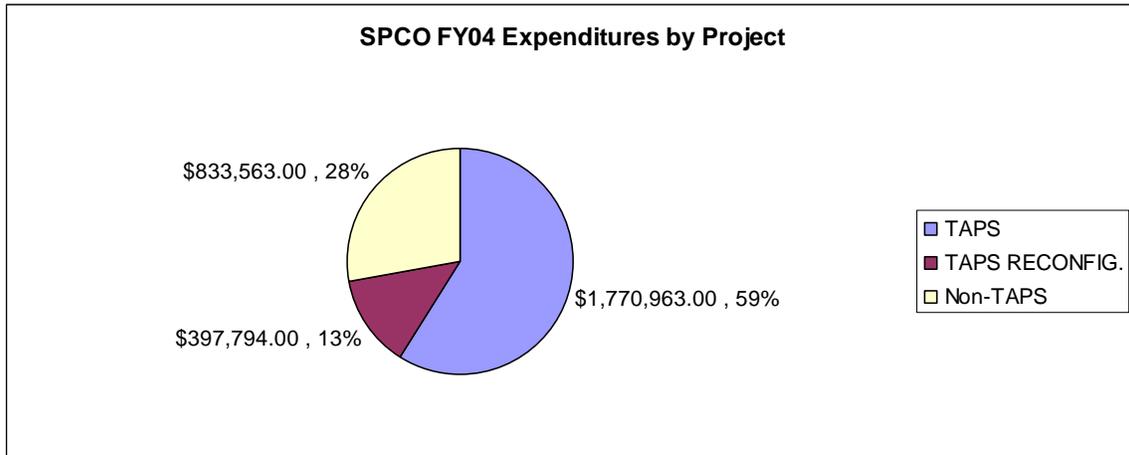
- Conducted an annual safety inspection of JPO offices.
- Conducted five work station ergonomic surveys for JPO staff.
- Conducted four new employee safety orientations for new JPO staff.
- Conducted field safety training for JPO staff that travel to the field.

2005 Electrical Inspector Accomplishments

- 66 inspections were conducted with two to Houston, Texas; one to Minneapolis, Minnesota; and one to Portland, Oregon to inspect skids being built for TAPS SR.
- One Notice of Violation was issued.
- 64 Certificates of Fitness were checked.
- One contractor license was checked.
- Average two trips per month to TAPS facilities to conduct inspections.
- Staff Consultations - Conducted 56 consultations with JPO staff on electrical issues.

SPCO Budget

The State of Alaska fiscal year begins July 1 of each year and ends June 30 of the following year.



State Gas Pipeline Group

Gas Pipeline staff were hired to review and adjudicate the ROW lease application submitted by TransCanada Alaska Company, L.L.C. and the Alaska Northwest Natural Gas Transportation Company for a pipeline to transport natural gas from Prudhoe Bay to Alberta, Canada where the existing gas pipeline system can be utilized to provide gas to the continental United States. The application was noticed as required in AS 38.35.070. The Commissioner's Analysis and Proposed Decision and draft ROW Lease were presented to the public for comment. The comment period has expired and the comments responded to in the Final Commissioner's Decision which is awaiting action by the Commissioner.

The ANGDA applied for a natural gas pipeline right-of-way lease from Glennallen to Palmer under AS 38.35. The purpose of this pipeline is to bring natural gas to south central Alaska where natural gas is becoming scarce. This application was submitted in anticipation of a gas pipeline being constructed from Prudhoe Bay to the continental United States through Canada or to Valdez. If the route through Canada is selected, ANGDA will begin development of an amendment to their ROW application for a pipeline from Delta Junction to Glennallen to complete the spur line to south central Alaska. If the route to Valdez is selected, ANGDA will tie-in to the pipeline in Glennallen.

The DNR/OPMP submitted two applications to the SPC for ROW leases from the vicinity of Point Thomson to Prudhoe Bay. One application is for a gas pipeline and the other application is for an oil pipeline. The proposals are for a 700 foot wide ROW in which both gas and oil pipelines could be constructed. The lines are approximately 45 miles long and are on state-owned lands. These applications are available for public review.

In an attempt to take the mystery out of the AS 38.35 leasing process, gas pipeline staff made presentations to state and federal agencies, industry representatives, and citizens to explain the process. In anticipation of a large gas pipeline project that would cross both state and federal lands, a working group was established to identify how state and federal agencies could integrate their review processes into a single project. This working group developed a project timeline depicting major milestones to illustrate a possible integrated process.

Gas Pipeline staff developed an annotated bibliography of environmental information along the proposed gas pipeline routes, as well as along other existing pipeline routes in Alaska. The database contains nearly 2,000 records and will be updated on a regular basis.

JPO Events

Arctic Interagency Visitor Center

JPO participated in the opening celebration of the Arctic Interagency Visitor Center in Coldfoot Alaska June 29, 2004 with a display and handouts. The center is located at MP 75 of the Dalton Highway. The Center has a beautiful auditorium, trip planning area, and interpretive exhibits about life in the north. It is open from Memorial Day through Labor Day.

<http://www.alaskanha.org/arctic-interagency-visitor-center.htm>

Citation — Unit Award for Excellence of Service

JPO was granted the Unit Award for Excellence of Service of the Department of Interior, by Interior Secretary Gale Norton, in recognition of its outstanding information management contributions. BLM State Director, Henri Bisson, presented the award at a staff meeting January 6, 2005. Previously, JPO was recognized by the International Association for Information Management Professionals and Governor Murkowski for excellence in records and information management.

Mongolian Ambassador Visits JPO

The Alaska Department of Military and Veterans Affairs hosted a two-day visit for two of Mongolia's highest officials, Ambassador Ravdan Bold and Second Secretary Sukhbaatah Altantsetseg. While in Anchorage, the Ambassador specifically requested a visit to the JPO.



Nolan Heath
Deputy Authorized Officer

Ambassador Ravdan Bold

JPO staff briefed the visitors on the processes used to issue rights-of-way and permits, environmental protection, pipeline operations, and oversight. Items of particular interest to the visitors were seismic studies, pipeline design, and measures taken to protect infrastructure during earthquakes.

University of Alaska – Fairbanks (UAF) Meeting –

Representatives from UAF provided information relating to the Toolik Lake area and continued studies and findings. They do have a significant amount of information that could be beneficial to TAPS operations and future gas pipeline construction. Because of on-going pipeline activities, they requested to be informed and added to mailing lists whenever activities will take place in the area that could affect their work.

Presentations

- February 2004 - Congressional staff for Homeland Security and House Resource Committee.
- February 2004 - BLM Regional Advisory Council on TAPS SR project.
- April 2004 - Records retention to the South Central American Records Management Association (ARMA) and Geo-North and Hummingbird Ltd. Seminar.
- November 2004 – JPO overview to naval and environmental representatives from Finland, Denmark, Lithuania, and Estonia.
- November 2004 – JPO overview to the Mongolian Ambassador to the United States.
- February 2005 - The State Gas Office delivered a gas pipeline update including an overview of the office, introduction to current projects, and Alaska’s ROW Leasing Act to the Forum for the Environment at the Egan Center in Anchorage.
- April 2005 – “JPO and its Role in APSC’s SR project at the VMT” to the Alaska Association of Environmental Professionals.
- May 2005 - JPO overview to Governor Frank Murkowski’s Ocean Policies Coordinator.
- August 2005 – JPO overview to visitors from the Sakhalin Islands representing the Departments of Geology, Lands, and Health.
- September 2005 – “Best Practices in Monitoring and Managing Environmental and Community Impacts from Pipeline and Production Activity in Alaska.”

Chronology of Events 2004

- Mike Thompson became Acting State Pipeline Coordinator, following John Kerrigan’s departure.
- JPO conducted an unannounced call-out exercise to evaluate the TAPS Pipeline Incident Management Team February 13.
- Strategic Reconfiguration Project:
 - BLM/JPO prepared an environmental assessment to identify and evaluate the probable environmental impacts of the TAPS reconfiguration project. The FONSI and Decision Record were issued January 30 for the SR project.
 - JPO conditionally approved the preliminary design
 - JPO conditionally approved an amendment to the C-plan
 - A public scoping meeting was held in Valdez.
 - An EA for the VMT was completed.
- Koch Alaska Pipeline Company purchased 3.0845% of the TAPS from Williams Alaska Pipeline Company.
- Kenai-Kachemak submitted an application for the Happy Valley Extension project proposing to construct and connect to the existing pipeline, an approximately 14.7 mile (about 6.3 miles on State land), 12-inch diameter common carrier pipeline.
- JPO hosted a booth at the Arctic Interagency Visitor Center June 29 in Coldfoot.
- JPO participated in the Yukon River one-day oil spill response exercise July 15.
- TransCanada Alaska Company requested the ADNDR to resume processing the ROW lease application across state land for a natural gas pipeline from Prudhoe Bay to Canada.
- Gale Norton, Secretary of the Interior, signed the ANUA Friday, October 15, 2004 in Anchorage along with representatives from APSC.
- JPO contracted an independent review of TAPS Oil Spill Training and Exercise Program.
- Due to changing conditions on TAPS, JPO recommended to APSC, formation of two joint working groups: in-line inspections and paraffin and its affect.
- ADNDR heard testimony throughout the state regarding the TransCanada application to build a natural gas pipeline carrying North Slope natural gas to Alberta, Canada and eventually to Lower 48 markets by 2012.

Chronology of Events 2005

- BLM State Director, Henri Bisson, presented the Unit Award for Excellence of Service to the JPO at a staff meeting January 6. The award, from Gale Norton, Secretary of the Interior, was for outstanding accomplishments in the field of information management.
- Congressional Staff visit – Chris Knauer, staff aid for Congressman Dingel, and John Sopko, Homeland Security Committee staff aid, visited JPO and APSC the week of January 26. They were briefed by JPO and APSC personnel in Anchorage, Valdez, and Fairbanks on a variety of issues.
- TAPS SR project continued throughout the year. Staff evaluated oil spill plan amendments, reviewed and approved plans, and issued NTPs.
- The Gas Office worked on the updated application submitted by the Alaskan Northwest Natural Gas Transportation Company and TransCanada Alaska Company, LLC for a ROW lease for the Alaska Natural Gas Transportation System.
- ROW application received from ANGDA for a spur line from Glennallen to Palmer.
- An EA, FONSI, and Record of Decision resulted from APSC's proposal to reconfigure the VMT.
- In December 2004, JPO proposed formation of a joint working group for corrosion inline inspection due to changing conditions on TAPS. JPO evaluates how changes might affect safety, environment, pipeline integrity, and compliance issues. A Technical Working Group Charter was adopted by JPO and APSC in January 2005.
- PS 12 was ramped down in advance of isolating the station during a planned maintenance shut down in June. All part of the SR Plan. PS 7 will be ramped down in 2006. PS 2, 6, 8, and 10 were previously ramped down.
- The Nikiski Alaska (Tesoro) ROW was amended to facilitate a project to make sub-sea repairs to approximately 1,700 feet of pipeline located within Turnagain Arm near Point Possession.
- As a result of MP 400 after actions, a hydraulic clamp was invented for similar incidents.
- After suspending operations at Badami August 6, 2003, BP Exploration (Alaska) Inc. submitted a Plan of Development proposing to commence shipments through Badami around August 2005.
- The construction of the Happy Valley Extension Project, an amendment of the KKPL ROW was completed and began operations.
- The Record of Decision for TAPS renewal identified an ongoing initiative "to develop a Programmatic Agreement (PA) with the SHPO and the NCHP regarding protection and mitigation of cultural and historic resource impacts." The purpose of the agreement is for future undertakings on the TAPS and to assure that the manner in which the JPO deals with the SHPO and Alaska tribes is consistent throughout the 800-mile length of the TAPS. The PA was signed in September.
- The SPCO received a ROW lease amendment application for the KKPL. This application was for the Kasilof Extension project, an approximate 4.2 mile-long, six-inch diameter pipeline to connect with the existing KKPL. Marathon is developing a natural gas production site at its Kasilof prospect along Cohoe Loop Road off the Sterling Highway.
- The SPCO received ROW applications for three pipelines proposed to originate at Petro Star Inc.'s Valdez refinery and follow along Dayville Road to a proposed berthing dock.
- A JPO/State representative was located in JPO Fairbanks for the first time.
- October 31, Alyeska notified JPO of its intent to replace CKV 109 as testing demonstrated that internal leak through exceeded APSC's criteria for acceptance.
- In December, the fourth edition of Fish Streams Along the TAPS and the third edition of Zones of Restricted Activity for Protection of Key Fish Areas Along the TAPS on Federally Administered Lands were updated by the OHMP/JPO for the BLM/JPO.

JPO – Looking Forward to 2006

JPO goals include work identified for 2006, regulatory responsibilities, following-up on commitments and agreements, new and ongoing projects, and unplanned events.

Issue the required permits and authorizations to APSC and North Slope pipeline managers to operate and maintain pipelines.

Process, negotiate, deliver, and administer ROW Leasing Act leases.

Monitor TAPS for compliance with the Federal Grant and State Lease and applicable laws and regulations.

Conduct project review, issue NTPs, and conduct oversight of the TAPS Strategic Reconfiguration Project.



PS 3 SR construction phase 2005 and PS 3 final phase 2007

Review APSC's implementation of an updated Quality Assurance Program.

Improve land status and mapping capabilities for lease application processing and oversight.

Continue to evaluate and seek to reduce risks to TAPS by understanding hardware condition, ensuring hardware and systems meet requirements, effective management controls, and effective failure planning and response.

Follow-up on RCM and apply risk-based methodology to identify failure management policies necessary to preserve the functions of critical TAPS systems.

Follow through on commitments made in JPO/APSC agreements.

Conduct project oversight to validate project design, construction, and adherence to permitting requirements. A number of projects are pre-selected for oversight every year and included in the JPO work plan.

Monitor high-risk projects and activities to ensure that pipeline integrity, environmental protection, and public safety are achieved and maintained on TAPS.

Complete administrative tasks and perform JPO core responsibilities.

Conduct outreach and keep stakeholders informed of JPO activities.

DEC to review TAPS C-plan for renewal. The renewal application is expected to be submitted in March 2006. The current TAPS C-plan approval expires November 30, 2006.

BLM to review TAPS C-plan for annual renewal.

The SPCO will evaluate and process an amended ROW lease application for the Kasilof Extension, an approximate 4.2 mile-long, six-inch diameter pipeline extension to connect with the existing KKPL.

The SPCO will continue to process pipeline ROW applications: Dayville Road Pipeline Project, ANGDA Glennallen to Palmer Spur Line application, and the TransCanada application.

The SPCO will work with lessees to evaluate and provide guidance and feedback on information provided in annual reports required for each pipeline.

The SPCO will restructure their annual reports for 16 jurisdictional pipelines to improve content for stakeholders and usefulness for staff.

SPCO to evaluate risk-based oversight of 16 jurisdictional pipelines.

Acronyms and Abbreviations

ADEC	Alaska Department of Environmental Conservation
ADNR	Alaska Department of Natural Resources
ANGDA	Alaska Natural Gas Development Authority
ANGTS	Alaska Natural Gas Transportation System
ANUA	Alaska Native Utilization Agreement
AO	Authorized Officer
APSC	Alyeska Pipeline Service Company
BLM	Federal Bureau of Land Management
BTEX	Benzene, Ethylbenzene, Toluene, Xylene
BWT	Ballast Water Treatment
CKV	Check Valve
CMP	Comprehensive Monitoring Program
CZM	Coastal Zone Management
DNV	Det Norske Veritas
DOL/WD	Alaska Department of Labor and Workforce Development
DOT	Federal Department of Transportation
DPS	Alaska Department of Public Safety
DTS	Document Tracking System
EA	Environmental Assessment
EIS	Environmental Impact Statement
EPA	Environmental Protection Agency
FEIS	Final Environmental Impact Statement
FONSI	Finding of No Significant Impact
FY	Fiscal Year
GIS	Geographic Information System
IPP	Industry Preparedness Program
JPO	Joint Pipeline Office
KKPL	Kenai Kachemak Pipeline
MP	Milepost
NCHP	National Advisory Council on Historic Preservation
NEC	National Electric Code
NEPA	National Environmental Policy Act
NPDES	National Pollutant Discharge Elimination System
NTP	Notice to Proceed
OHMP	Office of Habitat Management and Permitting
OPMP	Office of Project Management and Permitting
OSHA	Occupational Safety and Health Administration
PS	Pump Station
PWSRCAC	Prince William Sound Regional Citizens' Advisory Council
RCM	Reliability Centered Maintenance
RGV	Remote Gate Valve
ROW	Right-of-Way
RPG	Response Planning Group
RSA	Reimbursable Service Agreement
SERVS	Ship Escort and Response Vessel Service
SFO	State Fire Marshal's Office
SHPO	State of Alaska Historic Preservation Office

SPC	State Pipeline Coordinator
SPCO	State Pipeline Coordinator's Office
SR	Strategic Reconfiguration
TAPS	Trans-Alaska Pipeline System
TVMMP	TAPS Valve Maintenance Management Plan
USCG	U.S. Coast Guard
VMT	Valdez Marine Terminal
VOU	Valdez Oversight Unit