WARNING LETTER
AND
NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

October 21, 1997

Mr. David Sinclair
Vice President of Operations
Enstar Natural Gas Company
P.O. Box 190288
Anchorage, Alaska 99519-0288

CPF No. 57009

Dear Mr. Sinclair:

On May 28 and 29, 1997, representatives of the Western Region, Office of Pipeline Safety, pursuant to Chapter 601 of 49 United States Code, conducted an on-site pipeline safety inspection of Enstar records at your offices in Anchorage, Alaska; and your pipeline distribution facilities in Girdwood, Indian, and Bird, Alaska.

As a result of the inspection, it appears that Enstar has committed probable violations, as noted below, of pipeline safety regulations, Title 49, Code of Federal Regulations, Part 192. The items inspected and the probable violations are:

1. §192.605 Procedural manual for operations, maintenance, and emergencies. (b) *Maintenance and normal operations*. The manual required by paragraph (a) of this section must include procedures for operating, maintaining and repairing the pipeline in accordance with each of the requirements of this subpart [L] and subpart M of this part.

Enstar does not have procedures that adequately meet the requirements of §192.625(f) of subpart L. Enstar*'s Standard Operating Procedure*, SOP 1720, Natural Gas Odorant Handling Procedures states, "The Measurement Department shall regularly conduct surveys of Enstar's distribution system for odorant levels." At the time of our inspection no odorant tests had been performed at the extreme ends of the distribution system. Enstar's procedures must be revised to include testing at appropriate locations to ensure proper odorant concentration in all portions of the distribution system. Periodic odorant testing must therefore include the Girdwood and Whittier services areas. These areas are served by relatively low flow pipelines and are the farthest from Enstar's odorant injection points.

2. §192.707 Line markers for mains and transmission lines.
***c) Pipelines aboveground*. Line markers must be placed and maintained along each section of main and transmission line that is accessible to the public.**

Pipeline markers were not installed at the aboveground 2-inch lateral take-off valve in Indian, Alaska. The valve area is accessible to snowmobilers and skiers, and within easy walking distance of the nearby road. Line markers must be placed and maintained at this and other publicly-accessible aboveground pipeline facilities.

3. §192.465(a) External Corrosion Control: Monitoring. Each pipeline that is under cathodic protection must be tested at least once each calendar year, but with intervals not exceeding 15 months, to determine whether the cathodic protection meets the requirements of §192.463.

Enstar is not testing the carrier pipe at all cased locations to determine if adequate cathodic protection is provided to all buried portions of the Whittier pipeline. The casings at mileposts MP 31.4, 31.75, 32.05, 39.8, 40.5, 41.85, 43.8, 44.05, 45.1, and 51.1 have test station leads attached to the casing, but not to the carrier pipe. Enstar's *Standard Operating Procedures Manual*, S.O.P. No. 1505, Corrosion Control Policy states, "The test sites for the distribution system generally will be at service line risers, near casing vents, and on insulated fittings." Enstar must ensure that these procedures are also carried out on the recently leased and converted Whittier pipeline.

Monitoring of cathodic protection levels of both the carrier pipe and metallic casings is required to verify that adequate electrical isolation of the structures is present, and to ensure that adequate cathodic protection is provided for the carrier pipe. If test results show inadequate protection of any cased segment, then additional inspection and tests would be needed under §192.467(d) to determine the adequacy of electrical isolation between the casing and carrier pipe.

Under 49 United States Code §60122, you are subject to a civil penalty not to exceed $25,000 for each violation for each day the violation persists up to a maximum of $500,000 for any related series of violations. We have reviewed the circumstances and supporting documentation involved for violation numbers 2 and 3, and have decided not to assess civil penalties. We advise you however that should you not correct the circumstances leading to the violations, we will take enforcement action when and if these violations come to our attention.

In regard to violation item number 1 relating to your written procedures for operations, maintenance, and emergencies, the Office of Pipeline Safety is issuing you a Notice of Amendment. As provided in 49 C.F.R. §190.237, this notice serves as your notification that this office considers your procedures/plans inadequate. Under 49 C.F.R. §190.237, you have a right to submit written comments or request an informal hearing. You must submit written comments or a request for a hearing within 30 days after receipt of this notice. After reviewing the record, the Associate Administrator for Pipeline Safety will determine whether your plans or procedures are adequate. The criteria used in making this determination are outlined in 49 C.F.R. §190.237. If you do not wish to contest this notice, please provide your revised procedures within 30 days of receipt of this notice.

Please refer to **CPF No. 57009** in any correspondence or communication on this matter

Sincerely,

Edward J. Ondak
Director

cc: Compliance Registry
Regions

C:\OPS\docs\loc-wrns\57009w.wpd