



U.S. Department
of Transportation
**Pipeline and Hazardous
Materials Safety
Administration**

1200 New Jersey Ave., S.E.
Washington, DC 20590

FEB 21 2008

Mr. Bart Ahsogeak
Director-Real Estate
Ukpeagvik Inupiat Corporation
PO Box 890
Barrow, AK 99723

Re: CPF No. 59006 (re-numbered as 5-1999-0006)

Dear Mr. Ahsogeak:

Enclosed is the Final Order issued in the above-referenced case. It makes findings of violation and specifies actions to be taken to comply with the pipeline safety regulations. When the terms of the compliance order are completed, as determined by the Director, Western Region, this enforcement action will be closed. Since it has been some time since the Notice of Probable Violation (Notice) was issued in this case, I am including the original notice and related correspondence for your convenience. I anticipate that you have addressed some or all of the issues raised in the Notice and that you will be able to provide documentation of the actions you have taken to comply.

Your receipt of this Final Order constitutes service of that document under 49 C.F.R. § 190.5.

Thank you for your cooperation.

Sincerely,

for
Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Enclosures

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

**DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590**

)	
In the Matter of)	
)	
Ukpeagvik Inupiat Corporation,)	CPF No. 59006
)	
Respondent)	(Re-numbered as 5-1999-0006)
)	

FINAL ORDER

On June 30, 1999, pursuant to 49 U.S.C. § 60117, a representative of the Research and Special Programs Administration,¹ Office of Pipeline Safety (OPS), conducted an on-site pipeline safety inspection of the Naval Arctic Research Lab (NARL) master meter system and records in Barrow, Alaska. Respondent is the operator of the NARL master meter system. As a result of the inspection, the Director, Western Region (Director), issued to Respondent, by letter dated September 3, 1999, a Notice of Probable Violation and Proposed Compliance Order (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Respondent had violated 49 C.F.R. §§ 192.605(b), 192.723, 192.703 and 192.739 and proposed ordering Respondent to take certain corrective measures to remedy the alleged violations.

Respondent responded to the Notice by letter dated September 30, 1999 (Response). Respondent did not contest the allegations of violation but provided information concerning the corrective actions it had taken and planned to take. Respondent did not request a hearing and therefore has waived its right to one. The Director issued a letter to Respondent, dated November 8, 1999, which indicated that the actions Respondent proposed in its Response appeared appropriate but that supporting documentation was necessary to verify compliance with the Proposed Compliance Order.

FINDINGS OF VIOLATION

In its Response, Respondent did not contest the allegations in the Notice that it violated 49 C.F.R. Part 192, as follows:

¹ On November 30, 2004, the Norman Y. Mineta Research and Special Programs Improvement Act, Pub. L. No. 108-426, 118 Stat. 2423, created the Pipeline and Hazardous Materials Safety Administration (PHMSA) and transferred the authority of RSPA exercised under chapter 601 of title 49, United States Code, to the Administrator of PHMSA. *See also* 70 Fed. Reg. 8299, 8301-8302 (2005) (delegating authority to the Administrator of PHMSA).

Item 1: The Notice alleged that Respondent violated 49 C.F.R. § 192.605(b), which states:

49 C.F.R. § 192.605 Procedural manual for operations, maintenance, and emergencies.

(a)

(b) *Maintenance and normal operations.* The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.

(1) Operating, maintaining, and repairing the pipeline in accordance with each of the requirements of [subpart L] and subpart M of this part.

The Notice alleged that Respondent failed to prepare its own written procedures to address each requirement of subpart L and M, including the sections of the regulations referenced within subparts L and M, and to address the specific requirements of its master meter system. Accordingly, I find that Respondent violated 49 C.F.R. § 192.605(b) by failing to include in its Operations and Maintenance Manual its own written procedures to address each requirement of subpart L and M, including referenced sections, and to address the specific needs of its master meter system.

Item 2: The Notice alleged that Respondent violated 49 C.F.R. § 192.723, which states:

49 C.F.R. § 192.723 – Distribution systems: Leakage surveys.

(a) Each operator of a distribution system shall conduct periodic leakage surveys in accordance with this section.

(b) The type and scope of the leakage control program must be determined by the nature of the operations and the local conditions, but it must meet the following minimum requirements:

(1) A leakage survey with leak detector equipment must be conducted in business districts, including tests of the atmosphere in gas, electric, telephone, sewer, and water system manholes, at cracks in pavement and sidewalks, and at other locations providing an opportunity for finding gas leaks, at intervals not exceeding 15 months, but at least once each calendar year.

(2) A leakage survey with leak detector equipment must be conducted outside business districts as frequently as necessary, but at least once every 5 calendar years at intervals not exceeding 63 months. However, for cathodically unprotected distribution lines subject to § 192.465(e) on which electrical surveys for corrosion are impractical, a leakage survey must be conducted at least once every 3 calendar years at intervals not exceeding 39 months.

The Notice alleged that Respondent had only performed leak detection surveys in its valve vaults and had not surveyed the buried pipelines in the system, and therefore had failed to perform a full leak detection survey of its master meter system. Accordingly,

I find that Respondent violated 49 C.F.R. § 192.723 by failing to conduct a complete leak detection survey of its master meter system.

The Notice also indicated that Respondent did not have the proper leak detection equipment to conduct accurate above ground surveys of its buried pipelines. The Notice asserted that Respondent must use a flame ionization meter to accurately survey buried portions of its system. I find that in order to satisfy the leak detection survey requirements set out in §192.723, Respondent must use equipment capable of accurately detecting leaks.

Item 3: The Notice alleged that Respondent violated 49 C.F.R. § 192.703, which states:

49 C.F.R. § 192.703 – General.

- (a) No person may operate a segment of pipeline, unless it is maintained in accordance with this subpart.
- (b) Each segment of pipeline that becomes unsafe must be replaced, repaired, or removed from service.
- (c) Hazardous leaks must be repaired promptly.

The Notice alleged that Respondent had failed to repair several hazardous leaks on its master meter system that were within close proximity to occupied buildings. Accordingly, I find that Respondent violated 49 C.F.R. § 192.703 by failing to repair several hazardous leaks on its master meter system that were within close proximity to occupied buildings.

Item 4: The Notice alleged that Respondent violated 49 C.F.R. § 192.739, which at the time the Notice was issued, stated:²

49 C.F.R. § 192.739 – Pressure limiting and regulating stations: Inspection and testing.

Each pressure limiting station, relief device (except rupture discs), and pressure regulating station and its equipment must be subjected at intervals not exceeding 15 months, but at least once each calendar year, to inspections and tests to determine that it is–

- (a) In good mechanical condition;
- (b) Adequate from the standpoint of capacity and reliability of operation for the service in which it is employed;
- (c) Set to function at the correct pressure; and
- (d) Properly installed and protected from dirt, liquids, or other conditions that might prevent proper operation.

² 49 C.F.R. § 192.739 was amended after the Notice was issued. The current version of § 192.739 is attached to this Final Order.

The Notice alleged that Respondent had failed to conduct annual inspection and testing of the NARL regulator station. Accordingly, I find that Respondent violated 49 C.F.R. § 192.739 by failing to conduct annual inspection and testing of the NARL regulator station.

These findings of violation will be considered prior offenses in any subsequent enforcement action taken against Respondent.

COMPLIANCE ORDER

The Notice proposed a compliance order with respect to Items 1, 2, 3 and 4 in the Notice for violations of 49 C.F.R. Part 192.

Under 49 U.S.C. § 60118(a), each person who engages in the transportation of gas or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under chapter 601. Pursuant to the authority of 49 U.S.C. § 60118(b) and 49 C.F.R. § 190.217, Respondent is ordered to take the following actions to ensure compliance with the pipeline safety regulations applicable to its operations.

Respondent shall:

1. With regard to Item 1 of the Notice for violation of § 192.605, establish and submit written procedures to address each requirement of 49 C.F.R. Part 192, subparts L and M, including referenced sections, and that address the specific requirements of its master meter system. Implement the written procedures upon approval by the Director.
2. With regard to Item 2 of the Notice for violation of § 192.723, perform a full leak detection survey of the NARL master meter system. In conducting this survey, use a flame ionization meter for all surface leak detection surveys of buried piping. Submit the leakage survey results.
3. With regard to Item 3 of the Notice for violation of § 192.703, repair all hazardous leaks and submit documentation of the repairs.
4. With regard to Item 4 of the Notice for violation of § 192.739, perform an inspection of the NARL regulator station. During the inspection, test any pressure limiting and pressure regulating equipment to determine if the equipment is set to function at the correct pressure, and otherwise inspect the NARL station in accordance with the current version of § 192.739. Document the inspection activities and submit the documentation. Continue to perform inspection and testing of the NARL regulator station as required by 49 C.F.R. Part 192.
5. With regard to Paragraph 1 of this Compliance Order, prepare and submit the required written procedures to the Director within ninety (90) days of receipt of this Final Order.
6. With regard to Paragraphs 2, 3 and 4 of this Compliance Order, perform the required actions and submit the specified documentation within thirty (30) days of receipt of this Final Order.

7. Submit all required procedures and documentation to the Director, Western Region OPS, 12300 W. Dakota Ave., Suite 110, Lakewood, CO 80228.

The Director may grant an extension of time to comply with any of the required items upon a written request timely submitted by the Respondent demonstrating good cause for an extension.

Failure to comply with this Order may result in administrative assessment of civil penalties not to exceed \$100,000 for each violation for each day the violation continues or in referral to the Attorney General for appropriate relief in a district court of the United States.

Under 49 C.F.R. § 190.215, Respondent has a right to submit a Petition for Reconsideration of this Final Order. The petition must be received within 20 days of Respondent's receipt of this Final Order and must contain a brief statement of the issue(s). The terms of the order, including any required corrective action, shall remain in full force and effect unless the Associate Administrator, upon request, grants a stay. The terms and conditions of this Final Order are effective upon receipt.

William H. Wiese
for

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

FEB 21 2008

Date Issued