

LETTER OF CONCERN

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

CPF No. 56012-C

November 6, 1996

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

Dear Mr. Sinclair:

On August 20, 21, and 22, 1996, a representative of the Western Region, Office of Pipeline Safety (OPS) inspected your facilities associated with the Beluga Natural Gas Transmission Pipeline between Beluga and Anchorage, Alaska. Operation and maintenance procedures and records for this pipeline were reviewed at your Anchorage office.

The facilities and records reviewed during this inspection did not reveal any violations of Federal pipeline safety regulations, Title 49, Code of Federal Regulation, Part 192. Our field inspection did, however, disclose some areas on your Beluga system that are cause for concern. We hope you also find these areas worthy of your attention.

1. Distribution line valves (192.181).

Enstar maintains its distribution system regulator stations and associated isolation valves as part of their transmission system. Many of these regulator stations are part of a "looped" system, i.e., downstream distribution mains and services can be fed by more than one regulator station. During our inspection, we noted that the looped systems in the Eagle River area did not have isolation valves on what is normally the outlet side of the regulator station. If any of these regulator stations should have an incident where station access is precluded, Enstar may have difficulty in isolating the station from

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backfed gas. In addition, the inlet valve for the Fire Lake regulator station is located over a mile to the south, thereby allowing that station to be fed gas from both directions for an extended period of time during a station leak or fire.

The Guide for Gas Transmission and Distribution Piping Systems developed by the American Gas Association, recognizes the need to implement methods for isolating regulator stations that are backfed (see enclosed). We recognize that Enstar has an excellent history of maintaining gas service to all customers and isolating gas leaks in a timely manner. We are concerned, however, that Enstar is exposed to a credible risk by not having either hardware or standard procedures to ensure that each regulator station can be readily isolated in an emergency.

2. Transmission line valves 192.179(b).

Each transmission line valve must be readily accessible and protected from tampering and damage. It was noted that the valve boxes near the Birchwood Regulator station and the Eagle River station are located in the paved shoulder of the adjacent road. During snowy periods these valve boxes will be hard to locate. We are concerned that Enstar may have difficulty when locating their key valves when covered by snow and ice. One solution used by other gas transmission and distribution companies is to have a quick reference of key valve offsets from fixed above ground structures.

We hope that you will consider these areas of concern and action to further improve your present level of safety. If we can answer any question, or be of any help, please call me at 303-231-5701.

Sincerely,

Edward J. Ondak
Director

Enclosure