

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

August 21, 1998

Mr. David Sinclair
Vice President of Operations
Enstar Natural Gas Company
3000 Spenard Road
Anchorage, Alaska 99519-0288

CPF No. 58014W

Dear Mr. Sinclair:

On July 13, 14, and 21, 1998, a representative 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. **§192.3 defines the following key terms used in Part 192:**

Main means a distribution line that serves as a common source of supply for more than one service line.

Transmission line means a pipeline, other than a gathering line, that: (a) Transports gas from a gathering line or storage facility to a distribution center, storage facility, or large volume customer that is not downstream from a distribution center; (b) Operates at a hoop stress of 20 percent or more of SMYS; or (c) Transports gas within a storage field. A large volume customer may receive similar volumes of gas as a distribution center, and includes factories, power plants, and institutional users of gas.

The Whittier pipeline has been erroneously classified as a distribution main and is in fact a transmission pipeline. The Whittier pipeline between East Anchorage Gate and the Twenty Mile regulator station does not directly act as a common source of natural gas supply for any service lines. Distribution centers or regulator stations are located in the communities of Bird, Indian, Girdwood, and Whittier to reduce the operating pressure to a level appropriate for the local distribution mains and services. The maximum allowable operating pressure of the pipeline is 385 pounds per square inch (psi), well above the inlet rating of most service regulators. in the communities served. No services are located on the Whittier pipeline between East Anchorage Gate and the Twenty Mile regulator station. Therefore, the Whittier pipeline is still engaged in transmission of gas originating from the Beluga transmission line despite the fact it is operating below 20% Specified Minimum Yield Strength (SMYS).

Enstar must change the classification of the Whittier pipeline between East Anchorage Gate and the Twenty Mile regulator station from a distribution main to a transmission pipeline. This pipeline section must meet the regulatory requirements for natural gas transmission pipelines as put forth in 49 CFR Part 191 and 192.

2. **§192.181(b) requires that each regulator station controlling the flow or pressure of gas in a distribution system must have a valve installed on the inlet piping at a distance from the regulator station sufficient to permit the operation of the valve during an emergency that might preclude access to the station.**

The inlet valves to the Bird and Twenty Mile regulator stations are not located where they could be readily operated during an emergency that precludes access to these stations. The isolation valves at these two stations are located within small fenced enclosures that also surround the regulator trains and mainline valve. Personnel access is restrictive for operation, maintenance, and emergency response activities. In addition, the Bird station isolation valve is located at the opposite end of the station's only entrance. Enstar must ensure that all regulator station inlet

valves can be easily accessed and operated during an emergency that prevents access to the station.

3. **§192.723(b)(1) requires that 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.**

Enstar had not identified any business districts in the towns of Girdwood and Whittier. Enstar's *Standard Operating Procedures Manual, S.O.P. No. 1415, Routine Leak Surveying Procedures* appropriately defines a *Business District* as "The principle areas in town and urban areas in a community where most of the buildings on either side of the street are used for public, commercial, industrial, religious, educational, health or recreational purposes." Our inspector noted areas in both towns that meet this definition. Enstar must identify and annually leak survey the business districts in Girdwood and Whittier.

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 violations persist up to a maximum of \$500,000 for any related series of violations. We have reviewed the circumstances and supporting documents involved in this case, and have decided not to assess you a civil penalty. We advise you, however, that should you not correct the circumstances leading to the violations, we will take enforcement action when and if the continued violations come to our attention.

You will not hear from us again with regard to the noted inspection and our subsequent action. Because of the good faith you have exhibited up to this time, we expect that you will act to bring your pipeline and your operations into compliance with pipeline safety regulations.

Sincerely,

Edward J. Ondak
Director

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