



U.S. Department
of Transportation

Pipeline and Hazardous Materials
Safety Administration

12300 W. Dakota Ave., Suite 110
Lakewood, CO 80228

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

May 20, 2015

Ms. Colleen Starring
President
Enstar Natural Gas Company
P.O. Box 190288
Anchorage, AK 99519-0288

CPF 5-2015-0004W

Dear Ms. Starring:

On March 17-21, 2014, April 28-May 2, 2014, and June 2-6, 2014, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected your natural gas distribution system in Anchorage, Alaska.

As a result of the inspection, it appears that you have committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violation(s) are:

1. **§192.453 General.**

The corrosion control procedures required by §192.605(b)(2), including those for the design, installation, operation, and maintenance of cathodic protection systems, must be carried out by, or under the direction of, a person qualified in pipeline corrosion control methods.

Enstar Natural Gas Company (Enstar) did not document the qualified individuals who performed periodic rectifier inspections and obtained readings. PHMSA representatives discovered Corrosion Test Site Record forms, which were used to document rectifier inspections and readings for Enstar's cathodic protection system in the field that did not indicate the individual qualified person who performed the task. Names and/or signatures were missing from the forms on each date a particular rectifier location was inspected.

PHMSA representatives were unable to verify if a qualified individual performed the covered task on each date of inspection. Enstar Operator Qualification Plan includes rectifier inspection and readings as covered task number ASME-0101 "Inspect Rectifier and Obtain Readings."

2. §192.479 Atmospheric corrosion control – General

(a) Each operator must clean and coat each pipeline or portion of pipeline that is exposed to the atmosphere, except pipelines under paragraph (c) of this section.

Enstar did not demonstrate that atmospheric corrosion repairs were completed as a result of their periodic regulator station inspections. PHMSA representatives discovered Regulator Station Maintenance Records for stations numbered A136 "Ft. Richardson Laundry" and A140 "5th and Davis Hwy" that indicated "needs paint" on the date of inspection, April 24, 2013. At the time of inspection, no documentation was provided to demonstrate that the "needs paint" indication was addressed and the date of completion.

3. §192.616 Public awareness.

(c) The operator must follow the general program recommendations, including baseline and supplemental requirements of API RP 1162, unless the operator provides justification in its program or procedural manual as to why compliance with all or certain provisions of the recommended practice is not practicable and not necessary for safety.

Enstar did not follow its procedures and did not adequately demonstrate that they are in contact with all emergency officials annually. Enstar's Standard Operating Procedures (SOP) 1162, titled "Public Awareness Program," described a direct mailing process to send letters to emergency officials every year by First Class US Mail. At the time of the inspection, PHMSA representatives discovered only one letter that was mailed to emergency officials, dated October 3, 2007.

Enstar did not adequately document audit results, findings, and/or improvements needed as a result of its annual public awareness program audit for 2012 and 2013. Enstar did not adequately document that it had addressed the action items indicated on audit records and completed implementation of changes to the program.

Enstar did not follow API RP 1162 and did not complete effectiveness evaluations for all stakeholder audience groups in their Public Awareness Program (PAP). PHMSA representatives discovered that Enstar performed an effectiveness evaluation for only one stakeholder audience group, the general public. Documentation was not provided for effectiveness evaluations covering emergency officials, local public officials, and excavators.

Enstar did not document its effectiveness evaluation results, findings, and/or improvements after completion of its 2009 and 2011 evaluations for the general public. Enstar did not demonstrate that it reviewed the general public's assessment results to determine PAP effectiveness and implemented any changes if needed.

4. §192. 807 Recordkeeping.

Each operator shall maintain records that demonstrate compliance with this subpart.

(b) Records supporting an individual's current qualification shall be maintained while the individual is performing the covered task. Records of prior qualification and records of individuals no longer performing covered tasks shall be retained for a period of five years.

PHMSA representatives discovered Operator Qualification (OQ) training records for two Enstar supervisors that were not up-to-date with the expected qualification needs. These two individuals were not re-qualified for covered task SOP 1150 titled "Damage Response Procedures" within the required 3 year re-qualification period. Both individuals last took the required written test for this covered task in 2009. Enstar must complete re-qualification for these individuals or ensure that they do not perform any part of the covered task unless under the direct supervision of a qualified individual.

5. §192. 1007 What are the required elements of an integrity management plan?

A written integrity management plan must contain procedures for developing and implementing the following elements:

(b) Identify threats. The operator must consider the following categories of threats to each gas distribution pipeline: corrosion, natural forces, excavation damage, other outside force damage, material or welds, equipment failure, incorrect operations, and other concerns that could threaten the integrity of its pipeline. An operator must consider reasonably available information to identify existing and potential threats. Sources of data may include, but are not limited to, incident and leak history, corrosion control records, continuing surveillance records, patrolling records, maintenance history, and excavation damage experience.

Enstar did not adequately demonstrate that its Distribution Integrity Management Program (DIMP) addressed risks specific to its higher pressure distribution main lines. PHMSA representatives discovered higher pressure distribution main lines were included in the DIMP in addition to its lower pressure distribution system.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$200,000 per violation per day the violation persists up to a maximum of \$2,000,000 for a

related series of violations. For violations occurring prior to January 4, 2012, the maximum penalty may not exceed \$100,000 per violation per day, with a maximum penalty not to exceed \$1,000,000 for a related series of violations. We have reviewed the circumstances and supporting documents involved in this case, and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to correct the item(s) identified in this letter. Failure to do so will result in Enstar Natural Gas Company being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 5-2015-0004W**. Be advised that all material you submit in response to this enforcement action is subject to being made publicly available. If you believe that any portion of your responsive material qualifies for confidential treatment under 5 U.S.C. 552(b), along with the complete original document you must provide a second copy of the document with the portions you believe qualify for confidential treatment redacted and an explanation of why you believe the redacted information qualifies for confidential treatment under 5 U.S.C. 552(b).

Sincerely,

A handwritten signature in black ink, appearing to read "C. Hoidal", written in a cursive style.

Chris Hoidal

Director, Western Region

Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry
PHP-500 C. Ishikawa (#145394)