

NOTICE OF AMENDMENT

Via: Federal Express and Facsimile To: (907) 562-0053

April 29, 2009

Mr. David Bredin
ENSTAR Natural Gas Co.
401 East International Airport Rd.
P.O. Box 190288
Anchorage, Alaska 99519

CPF 5-2009-0015M

Dear Mr. Bredin:

On November 17 and 19, 2008, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected ENSTAR Natural Gas Co.'s Procedures for Operation and Maintenance for the Mat-Su Natural Gas Distribution System and your facilities in Palmer and Wasilla, Alaska.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within ENSTAR's plans or procedures, as described below:

- 1. §192.285 Plastic pipe; qualifying persons to make joints.**
 - (a) No person may make a plastic pipe joint unless that person has been qualified under the applicable joining procedure by:**

The operator's standard operating procedures for joining of plastic pipe does not require the individual performing the joining to be identified on field documentation. The operator must modify field documentation of new pipe to indentify the person performing the joining of plastic pipe.

2. §192.605 Procedural manual for operations, maintenance, and emergencies.

The operator's field documentation of newly installed plastic pipe did not indicate the depth of cover. §192.303, §192.327, and §192.361 require pipe to be installed with a minimum depth of cover. The operator must have procedures for installation of pipe indicating appropriate depth of cover and field documentation verifying that the depth of cover required was met.

3. §192.627 Tapping pipelines under pressure.

Each tap made on a pipeline under pressure must be performed by a crew qualified to make hot taps.

The operator's hot tapping procedure, SOP 2305, Hot Tapping Procedures for Steel Mains, does not state that hot tapping must be performed by qualified individuals. However, hot tapping is listed as an OQ covered task. The operator must amend their procedures to indicate that the personnel performing hot tapping are qualified.

4. §192.721 Distribution systems: Patrolling.

(b) Mains in places or on structures where anticipated physical movement or external loading could cause failure or leakage must be patrolled -

(2) Outside business districts, at intervals not exceeding 7 1/2 months, but at least twice each calendar year.

ENSTAR patrols pipeline segments supported by bridges on an annual basis. The regulations require patrol of segments, which are susceptible to movement, on a biannual basis. ENSTAR's SOP 1420 states that: "The Director of Engineering or his/her designee shall be responsible for surveying Distribution Line crossings subject to movement or external loading. A review will be conducted as such crossings are installed, to determine if potential for leakage or failure may exist. Bridge supported mains shall be evaluated in this review. If any Distribution Lines (including bridge supported mains) are identified as being subject to failure because of anticipated physical movement or external loading, they shall be patrolled once every three months, but not more than 4 1/2 months between patrols."

The operator must modify its procedures to inspect distribution piping supported on bridges to be inspected at intervals not exceeding 7 1/2 months, but at least twice each calendar year.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.237. Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Compliance Proceedings*. Please refer to this document and note the response options. 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). If you do not respond within 30 days of receipt of this Notice, this constitutes a waiver of your right to contest the allegations in this Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further notice to you and to issue a Final Order.

If, after opportunity for a hearing, your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.237). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 60 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

In correspondence concerning this matter, please refer to **CPF 5-2009-0015M** and send all responses to my attention at 222 W. 7th Ave. #200, PO Box 37, Anchorage, Alaska 99513. For each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Dennis Hinnah
Deputy Director, Western Region
Pipeline and Hazardous Materials Safety Administration

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*

cc: PHP-60 Compliance Registry
PHP-500 B. Flanders (#120663)