



U.S. Department
of Transportation

**Research and
Special Programs
Administration**

400 Seventh St., S.W.
Washington, D.C. 20590

MAR 11 2004

Mr. John J. Lau
Vice President, Engineering
Enstar Natural Gas Company
401 East International Airport Rd.
P.O. Box 190288
Anchorage, Alaska 99519-0288

Re: CPF No. 5-2001-0006

Dear Mr. Lau:

Enclosed is the Final Order issued by the Associate Administrator for Pipeline Safety 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. Your receipt of this Final Order constitutes service of that document under 49 C.F.R. § 190.5.

Sincerely,

James Reynolds
Pipeline Compliance Registry
Office of Pipeline Safety

Enclosure

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

DEPARTMENT OF TRANSPORTATION
RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, DC 20590

In the Matter of)
)
)

Enstar Natural Gas Company,)

Respondent)
_____)

CPF No. 5-2001-0006

FINAL ORDER

On November 2, 8, 15 and 17, 2000, pursuant to 49 U.S.C. § 60117, a representative of the Office of Pipeline Safety (OPS) conducted an on-site pipeline safety inspection of Respondent's facilities and records in Anchorage, Alaska. As a result of the inspection, the Director, Western Region, OPS, issued to Respondent, by letter dated April 17, 2001, 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 committed violations of 49 C.F.R. Part 192 and proposed that Respondent take certain measures to correct the alleged violations.

Respondent responded to the Notice by letter dated May 14, 2001 (Response). Respondent did not contest the allegations of violation but provided information concerning the corrective actions it has taken. Respondent did not request a hearing, and therefore has waived its right to one.

FINDINGS OF VIOLATION

In its Response, Respondent did not contest the alleged violations in the Notice. Accordingly, I find that Respondent violated the following sections of 49 C.F.R. Part 192, as more fully described in the Notice:

49 C.F.R. § 192.195(a) – failing to have pressure relieving or pressure limiting devices to ensure that the maximum allowable operating pressure (MAOP) of the distribution regulator components served by the Beluga Transmission Line would not be exceeded as a result of a pressure control failure. Respondent uses the following regulators without pressure relieving or limiting devices, subjecting them and adjacent piping to potential damage or failure: Fisher 630 regulators, Rockwell 140 regulators, Rockwell 041-C regulators, and Fisher 161EB regulator pilots used with Fisher 399A regulators;

49 C.F.R. § 192.619(a) – failing to maintain the operating pressure of the Beluga Transmission Pipeline to within the pressure rating of the weakest component on the line. Respondent's records indicate that the MAOP of the pipeline is 1050 psig, while primary regulators (Rockwell 140) in regulator stations B351 and B357 have inlet pressure ratings of only 1000 psig. In addition, Respondent's maps show the MAOP as 1000 psig, inconsistent with Respondent's records; and

49 C.F.R. § 192.743 – failing to have records to demonstrate that relief devices for facilities operated by other entities, which supply natural gas to the Beluga Pipeline, are tested at intervals not exceeding 15 months, but at least once each calendar year. Respondent does not have pressure relief records for the Marathon and Phillips pipelines that feed the Beluga Station, or for Unocal's Lewis River Pipeline that feeds the Beluga Pipeline at Ivan River.

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 for violations of §§ 192.195(a), 192.619(a), and 192.743. 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 must –

1. Complete a system-wide study within 30 days of issuance of this Final Order to identify all regulator station components, inclusive of regulators and pilots, that have a pressure rating less than the MAOP. As part of this study, Respondent must determine which of the above components could be subject to the MAOP should there be a single failure of station equipment. Respondent must then remove and replace the regulator station components that do not meet regulatory requirements or manufacturer standards with appropriately-rated regulators and components. Alternatively, Respondent may add intermediate pressure relief to ensure that all regulator station components are protected. All remedial actions must be completed within 6 months of the above study.
2. Change the Beluga Transmission Pipeline MAOP to be commensurate with the weakest component that could be subjected to the MAOP, or replace those components not having a minimum pressure rating of MAOP with components having pressure ratings that meet or exceed the MAOP. Respondent must also update the MAOP shown on its maps to be consistent with its records.
3. Obtain records from all pipeline operators that could potentially overpressure the Beluga Pipeline, showing that testing of relief devices for those facilities is completed annually,

with intervals not exceeding 15 months, and establish procedures to insure that all future testing records for feeder line relief devices are received. Alternatively, Respondent may install pressure relief devices to protect the Beluga Pipeline from feeder pipeline pressures, and prepare procedures for testing the relief devices at least once each calendar year, with intervals not exceeding 15 months.

When appropriate actions have been taken, submit confirmation of these actions to the Director, Western Region, Office of Pipeline Safety, Research and Special Programs Administration, 12600 West Colfax Avenue, Suite A-250, Lakewood, Colorado 80215.

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

The Regional Director has indicated that Respondent has taken the following actions to address some of the cited violations, but that Respondent has not provided supporting documentation:

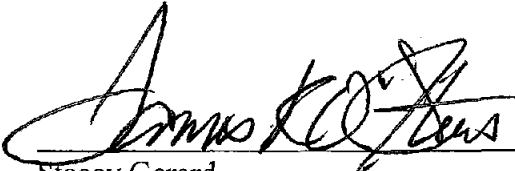
Respondent has installed relief valves immediately downstream from its Fisher 630, Rockwell 140, and Rockwell 041-C regulators. Respondent has installed check valves on the downstream sensing lines to the Fisher 161EB pilots used with the Fisher 399A regulators so the pilots will be subject to an outlet pressure no greater than 750 psig.

Respondent has replaced the 1/4" orifices in the primary Rockwell 140 regulators with 1/8" orifices in Regulator Station #351 and Regulator Station #357. The 1/8" orifices allow the regulators to operate at 1500 psig MAOP. With these modifications, Respondent returned the MAOP to 1050 psig.

Respondent has designed overpressure protection by means of relief valves at the entrance to Respondent's Beluga facility.

Failure to comply with this Final Order may result in the assessment of civil penalties of up to \$100,000 per violation per day, or in the referral of the case for judicial enforcement.

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, remain in full effect unless the Associate Administrator, upon request, grants a stay. The terms and conditions of this Final Order are effective on receipt.


Stacey Gerard
Associate Administrator
for Pipeline Safety

MAR 11 2004

Date Issued