NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

December 31, 2008

Mr. Ben Frantz
General Manager
Barrow Utilities & Electric Coop
PO Box 449
Barrow, AK 99723

CPF 5-2008-0027M

Dear Mr. Frantz:

On June 16, 2006, the Pipeline and Hazardous Materials Safety Administration (PHMSA) published an Advisory Bulletin requesting all pipeline operators to submit their Public Awareness Program pursuant to 49 CFR Part 192.616. PHMSA then established a Clearinghouse to compare each operator’s Public Awareness Programs against the recommendations in the industry standard API RP 1162, which is incorporated by reference into the regulations previously cited. Since this was a new regulation, our staff worked with each pipeline operator in the nation to provide guidance in developing the Public Awareness Programs and assisting the operator in correcting any regulatory deficiencies.

On the basis of the Clearinghouse findings, PHMSA informed your staff by email (see attached) of 73 identified aspects of your Public Awareness Program that deviated from our regulations. The PHMSA representative tasked with working with Barrow Utilities and Electric Cooperative Incorporated (BUECI) informed me that at this time the following inadequacies still exist in your public awareness program:

1. §192.616 Public Awareness

   (a) Except for an operator of a master meter or petroleum gas system covered under paragraph (j) of this section, each pipeline operator must develop and
implement a written continuing public education program that follows the guidance provided in the American Petroleum Institute's (API) Recommended Practice (RP) 1162 (incorporated by reference, see §192.7).

(b) The operator's program must follow the general program recommendations of API RP 1162 and assess the unique attributes and characteristics of the operator's pipeline and facilities.

(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.

(d) The operator's program must specifically include provisions to educate the public, appropriate government organizations, and persons engaged in excavation related activities on:

1. Use of a one-call notification system prior to excavation and other damage prevention activities;
2. Possible hazards associated with unintended releases from a gas pipeline facility;
3. Physical indications that such a release may have occurred;
4. Steps that should be taken for public safety in the event of a gas pipeline release; and
5. Procedures for reporting such an event.

(e) The program must include activities to advise affected municipalities, school districts, businesses, and residents of pipeline facility locations.

(f) The program and the media used must be as comprehensive as necessary to reach all areas in which the operator transports gas.

(g) The program must be conducted in English and in other languages commonly understood by a significant number and concentration of the non-English speaking population in the operator's area.

(h) Operators in existence on June 20, 2005, must have completed their written programs no later than June 20, 2006. The operator of a master meter or petroleum gas system covered under paragraph (j) of this section must complete development of its written procedure by June 13, 2008. Upon request, operators must submit their completed programs to PHMSA or, in the case of an intrastate pipeline facility operator, the appropriate State agency.

(i) The operator's program documentation and evaluation results must be available for periodic review by appropriate regulatory agencies.
(j) Unless the operator transports gas as a primary activity, the operator of a master meter or petroleum gas system is not required to develop a public awareness program as prescribed in paragraphs (a) through (g) of this section. Instead the operator must develop and implement a written procedure to provide its customers public awareness messages twice annually. If the master meter or petroleum gas system is located on property the operator does not control, the operator must provide similar messages twice annually to persons controlling the property. The public awareness message must include:

(1) A description of the purpose and reliability of the pipeline;

(2) An overview of the hazards of the pipeline and prevention measures used;

(3) Information about damage prevention;

(4) How to recognize and respond to a leak; and

(5) How to get additional information.

The operator did not have a program that met the regulatory criteria as of June 20, 2006. On October 30, 2007, the operator was informed by email of the outstanding deficiencies (see attached) however as of this date corrections to achieve regulatory compliance have not been made.

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 5-2008-0027M and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

[Signature]

Chris Hoidal
Director, Western Region
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry
    PHP-500 R. Reineke (#123167)

Enclosures:  Response Options for Pipeline Operators in Compliance Proceedings
             Copy of Email to BUECI regarding Deviations from RP 1162 Recommendations (dated October 30, 2007)
Reineke, Ross <PHMSA>

From: Reineke, Ross <PHMSA>
Sent: Tuesday, October 30, 2007 3:31 PM
To: anesieby@bueci.org
Cc: Reineke, Ross <PHMSA>
Subject: FW: Public Awareness Program Review Completed - Barrow Utilities and Electric Cooperative Inc

Dear Operator,

The Clearinghouse has finished comparing your public awareness program to the recommendations in API RP 1162. The e-mail below includes all aspects of your program that the Clearinghouse noted as deviating from the recommended practice. Please review this information and let me know if you plan to make any changes to your program.

According to Section 6.2 of API RP 1162, there are 12 considerations for operators to examine when deciding on the implementation of supplemental elements. The Clearinghouse noted that your program does not address all of these considerations. Your program needs to describe the process used to decide on the use of supplemental elements and a clear description of supplemental elements actually implemented.

Deviation from RP 1162 Recommendations:

1) Question: Section 2.5A. Does the program include a Management Statement of Support?
   Answer: Not Included
   Page Number: 
   Comments: The operator submitted excerpts from their Natural Gas System Procedures Manual and a few sample messages and not a plan for implementing a public awareness program for a transmission system and a local gas distribution system.

2) Question: Section 7.A. Does the program list the position titles of employees involved in program administration?
   Answer: Not Included
   Page Number: 
   Comments: The operator submitted excerpts from their Natural Gas System Procedures Manual and a few sample messages and not a plan for implementing a public awareness program for a transmission system and a local gas distribution system.

3) Question: Section 7.B. Does the program describe the roles and responsibilities of the positions involved in program administration?
Answer: Not Included
Page Number: The operator submitted excerpts from their Natural Gas System Procedures Manual and a few sample messages and not a plan for implementing a public awareness program for a transmission system and a local gas distribution system.

4) Question: How will Hazardous Liquids and Gas Transmission operators deliver baseline awareness messages to the Affected Public?
Answer: Not Included
Page Number: The operator submitted excerpts from their Natural Gas System Procedures Manual and a few sample messages and not a plan for implementing a public awareness program for a transmission system and a local gas distribution system.

5) Question: What is the frequency for Hazardous Liquids and Gas Transmission operators to deliver baseline awareness materials to the Affected Public?
Answer: Not Included
Page Number: The operator submitted excerpts from their Natural Gas System Procedures Manual and a few sample messages and not a plan for implementing a public awareness program for a transmission system and a local gas distribution system.

6) Question: Do the Hazardous Liquids and Gas Transmission operator baseline awareness materials to the Affected Public include Pipeline purpose and reliability?
Answer: Not Included
Page Number: Not included for the Affected Public

7) Question: Do the Hazardous Liquids and Gas Transmission operator baseline awareness materials to the Affected Public include Awareness of hazards and prevention measures undertaken?
Answer: Not Included
Page Number: Not included for the Affected Public

8) Question: Do the Hazardous Liquids and Gas Transmission operator baseline awareness materials to the Affected Public include Damage prevention awareness?
Answer: Not Included
Page Number: Not included for the Affected Public

9) Question: Do the Hazardous Liquids and Gas Transmission operator baseline awareness materials to the Affected Public include One-call requirements?
Answer: Not Included
10) Question: Do the Hazardous Liquids and Gas Transmission operator baseline awareness materials to the Affected Public include Pipeline location information (description of the purpose of pipeline markers and the information on them, ref §4.6.1)?
Answer: Not Included

Page Number: Not included for the Affected Public
Comments: Not included for the Affected Public

11) Question: Do the Hazardous Liquids and Gas Transmission operator baseline awareness materials to the Affected Public include How to get additional information?
Answer: Not Included

Page Number: Not included for the Affected Public
Comments: Not included for the Affected Public

12) Question: Do the Hazardous Liquids and Gas Transmission operator baseline awareness materials to the Affected Public include Availability of list of pipeline operators through NPMS?
Answer: Not Included

Page Number: Not included for the Affected Public
Comments: Not included for the Affected Public

13) Question: How will Hazardous Liquids and Gas Transmission operators deliver baseline awareness messages to Emergency Officials?
Answer: Not Included

Page Number: The operator submitted excerpts from their Natural Gas System Procedures Manual and a few sample messages and not a plan for implementing a public awareness program for a transmission system and a local gas distribution system.
Comments: Not included for Emergency Officials

14) Question: What is the frequency for Hazardous Liquids and Gas Transmission to deliver baseline awareness materials to Emergency Officials?
Answer: Not Included

Page Number: The operator submitted excerpts from their Natural Gas System Procedures Manual and a few sample messages and not a plan for implementing a public awareness program for a transmission system and a local gas distribution system.
Comments: Not included for Emergency Officials

15) Question: Do the Hazardous Liquids and Gas Transmission operator baseline awareness materials to Emergency Officials include Pipeline purpose and reliability?
Answer: Not Included

Page Number: Not included for Emergency Officials
Comments: Not included for Emergency Officials

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16) Question: Do the Hazardous Liquids and Gas Transmission operator baseline awareness materials to Emergency Officials include Awareness of hazards and prevention measures undertaken?
Answer: Not Included
Page Number: Not Included
Comments: Not included for Emergency Officials

17) Question: Do the Hazardous Liquids and Gas Transmission operator baseline awareness materials to Emergency Officials include Potential hazards?
Answer: Not Included
Page Number: Not Included
Comments: Not included for Emergency Officials

18) Question: Do the Hazardous Liquids and Gas Transmission operator baseline awareness materials to Emergency Officials include Pipeline location information (description of the purpose of pipeline markers and the information on them, ref §4.6.1) and availability of NPMS?
Answer: Not Included
Page Number: Not Included
Comments: Not included for Emergency Officials

19) Question: Do the Hazardous Liquids and Gas Transmission operator baseline awareness materials to Emergency Officials include How to get additional information?
Answer: Not Included
Page Number: Not Included
Comments: Not included for Emergency Officials

20) Question: How will Hazardous Liquids and Gas Transmission operators deliver baseline awareness messages to Local Public Officials?
Answer: Not Included
Page Number: Not Included
Comments: The operator submitted excerpts from their Natural Gas System Procedures Manual and a few sample messages and not a plan for implementing a public awareness program for a transmission system and a local gas distribution system.

21) Question: What is the frequency for Hazardous Liquids and Gas Transmission operators to deliver baseline awareness materials to Local Public Officials?
Answer: Not Included
Page Number: Not Included
Comments: The operator submitted excerpts from their Natural Gas System Procedures Manual and a few sample messages and not a plan for implementing a public awareness program for a transmission system and a local gas distribution system.

22) Question: Do the Hazardous Liquids and Gas Transmission operator baseline awareness materials to Local Public Officials include

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23) Question: Do the Hazardous Liquids and Gas Transmission operator baseline awareness materials to Local Public Officials include Awareness of hazards and prevention measures undertaken?
Answer: Not Included
Page Number: Not included for Local Public Officials
Comments: Not included for Local Public Officials

24) Question: Do the Hazardous Liquids and Gas Transmission operator baseline awareness materials to Local Public Officials include Emergency preparedness communications?
Answer: Not Included
Page Number: Not included for Local Public Officials
Comments: Not included for Local Public Officials

25) Question: Do the Hazardous Liquids and Gas Transmission operator baseline awareness materials to Local Public Officials include One-call requirements?
Answer: Not Included
Page Number: Not included for Local Public Officials
Comments: Not included for Local Public Officials

26) Question: Do the Hazardous Liquids and Gas Transmission operator baseline awareness materials to Local Public Officials include Pipeline location information (description of the purpose of pipeline markers and the information on them, ref §4.6.1) and availability of NPMS?
Answer: Not Included
Page Number: Not included for Local Public Officials
Comments: Not included for Local Public Officials

27) Question: Do the Hazardous Liquids and Gas Transmission operator baseline awareness materials to Local Public Officials include How to get additional information?
Answer: Not Included
Page Number: Not included for Local Public Officials
Comments: Not included for Local Public Officials

28) Question: How will Hazardous Liquids and Gas Transmission operators deliver baseline awareness messages to Excavators?
Answer: Not Included
Page Number: The operator submitted excerpts from their Natural Gas System Procedures Manual and a few sample messages and not a plan for implementing a public awareness program for a transmission system and a local gas distribution system.
29) Question: What is the frequency for Hazardous Liquids and Gas Transmission operators to deliver baseline awareness materials to Excavators?

Answer: Not Included

Page Number: 

Comments: The operator submitted excerpts from their Natural Gas System Procedures Manual and a few sample messages and not a plan for implementing a public awareness program for a transmission system and a local gas distribution system.

30) Question: Do the Hazardous Liquids and Gas Transmission baseline awareness materials to Excavators include Pipeline purpose and reliability?

Answer: Not Included

Page Number: 

Comments: Not included for Excavators

31) Question: Do the Hazardous Liquids and Gas Transmission baseline awareness materials to Excavators include Awareness of hazards and prevention measures undertaken?

Answer: Not Included

Page Number: 

Comments: Not included for Excavators

32) Question: Do the Hazardous Liquids and Gas Transmission baseline awareness materials to Excavators include Damage prevention awareness?

Answer: Not Included

Page Number: 

Comments: Not included for Excavators

33) Question: Do the Hazardous Liquids and Gas Transmission baseline awareness materials to Excavators include One-call requirements?

Answer: Not Included

Page Number: 

Comments: Not included for Excavators

34) Question: Do the Hazardous Liquids and Gas Transmission baseline awareness materials to Excavators include Leak recognition and response?

Answer: Not Included

Page Number: 

Comments: Not included for Excavators

35) Question: Do the Hazardous Liquids and Gas Transmission baseline awareness materials to Excavators include How to get additional information?

Answer: Not Included

Page Number: 

Comments: Not included for Excavators

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36/ Question: Is the Hazardous Liquids and Gas Transmission operator a member of all appropriate one-call centers?
   Answer: Not Included
   Page Number: Letter page 1
   Comments: Cited that direct contact is used with excavators instead of a one-call notification system

37/ Question: Section 6.2 Does the program describe the process and procedure used to determine whether supplemental elements will be implemented in response to High Consequence Areas?
   Answer: No
   Page Number: 
   Comments: The operator submitted excerpts from their Natural Gas System Procedures Manual and a few sample messages and not a plan for implementing a public awareness program for a transmission system and a local gas distribution system.

38/ Question: How will Gas Distribution operators deliver baseline awareness messages to the Affected Public who reside along the pipeline system?
   Answer: Not Included
   Page Number:
   Comments: The operator submitted excerpts from their Natural Gas System Procedures Manual and a few sample messages and not a plan for implementing a public awareness program for a transmission system and a local gas distribution system.

39/ Question: How will Gas Distribution operators deliver baseline awareness messages to the Affected Public who are customers of the gas company?
   Answer: Not Included
   Page Number:
   Comments: The operator submitted excerpts from their Natural Gas System Procedures Manual and a few sample messages and not a plan for implementing a public awareness program for a transmission system and a local gas distribution system.

40/ Question: What is the frequency for Gas Distribution operators to deliver baseline awareness materials to the Affected Public who reside along the pipeline system?
   Answer: Not Included
   Page Number:
   Comments: The operator submitted excerpts from their Natural Gas System Procedures Manual and a few sample messages and not a plan for implementing a public awareness program for a transmission system and a local gas distribution system.

41/ Question: What is the frequency for Gas Distribution to deliver baseline awareness materials to the Affected Public who are customers of the gas company?
42) Question: Do the Gas Distribution baseline awareness materials to the
Affected Public include Pipeline purpose and reliability?
Answer: Not Included
Page Number:
Comments: Not included for the Affected Public

43) Question: Do the Gas Distribution baseline awareness materials to the
Affected Public include Awareness of hazards and prevention
measures undertaken?
Answer: Not Included
Page Number:
Comments: Not included for the Affected Public

44) Question: Do the Gas Distribution baseline awareness materials to the
Affected Public include Damage prevention awareness
(including one-call requirements)?
Answer: Not Included
Page Number:
Comments: Not included for the Affected Public

45) Question: Do the Gas Distribution baseline awareness materials to the
Affected Public include How to get additional information?
Answer: Not Included
Page Number:
Comments: Not included for the Affected Public

46) Question: How will Gas Distribution operators deliver baseline awareness
messages to Emergency Officials?
Answer: Not Included
Page Number:
Comments: The operator submitted excerpts from their Natural Gas System
Procedures Manual and a few sample messages and not a plan
for implementing a public awareness program for a
transmission system and a local gas distribution system.

47) Question: What is the frequency for Gas Distribution operators to deliver
baseline awareness materials to Emergency Officials?
Answer: Not Included
Page Number:
Comments: The operator submitted excerpts from their Natural Gas System
Procedures Manual and a few sample messages and not a plan
for implementing a public awareness program for a
transmission system and a local gas distribution system.
48) Question: Do the Gas Distribution baseline awareness materials to Emergency Officials include Pipeline purpose and reliability?
Answer: Not Included
Page Number: Not included Emergency Officials
Comments: 

49) Question: Do the Gas Distribution baseline awareness materials to Emergency Officials include Awareness of hazards and prevention measures undertaken?
Answer: Not Included
Page Number: Not included Emergency Officials
Comments: 

50) Question: Do the Gas Distribution baseline awareness materials to Emergency Officials include How to get additional information?
Answer: Not Included
Page Number: Not included Emergency Officials
Comments: 

51) Question: How will Gas Distribution operators deliver baseline awareness messages to Local Public Officials?
Answer: Not Included
Page Number: The operator submitted excerpts from their Natural Gas System Procedures Manual and a few sample messages and not a plan for implementing a public awareness program for a transmission system and a local gas distribution system.
Comments: 

52) Question: What is the frequency for Gas Distribution operators to deliver baseline awareness materials to Local Public Officials?
Answer: Not Included
Page Number: The operator submitted excerpts from their Natural Gas System Procedures Manual and a few sample messages and not a plan for implementing a public awareness program for a transmission system and a local gas distribution system.
Comments: 

53) Question: Do the Gas Distribution baseline awareness materials to Local Public Officials include Pipeline purpose and reliability?
Answer: Not Included
Page Number: Not included for Local Public Officials
Comments: 

54) Question: Do the Gas Distribution baseline awareness materials to Local Public Officials include Awareness of hazards and prevention measures undertaken?
Answer: Not Included
Page Number: Not included for Local Public Officials
Comments: 

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Question: Do the Gas Distribution baseline awareness materials to Local Public Officials include Emergency preparedness communications?
Answer: Not Included
Page Number: Comments: Not included for Local Public Officials

Question: Do the Gas Distribution baseline awareness materials to Local Public Officials include How to get additional information?
Answer: Not Included
Page Number: Comments: Not included for Local Public Officials

Question: How will Gas Distribution operators deliver baseline awareness messages to Excavators?
Answer: Not Included
Page Number: The operator submitted excerpts from their Natural Gas System Procedures Manual and a few sample messages and not a plan for implementing a public awareness program for a transmission system and a local gas distribution system.

Question: What is the frequency for Gas Distribution operators to deliver baseline awareness materials to Excavators?
Answer: Not Included
Page Number: Comments: The operator submitted excerpts from their Natural Gas System Procedures Manual and a few sample messages and not a plan for implementing a public awareness program for a transmission system and a local gas distribution system.

Question: Do the Gas Distribution baseline awareness materials to Excavators include Pipeline purpose and reliability?
Answer: Not Included
Page Number: Comments: Not included for Excavators

Question: Do the Gas Distribution baseline awareness materials to Excavators include Awareness of hazards and prevention measures undertaken?
Answer: Not Included
Page Number: Comments: Not included for Excavators

Question: Do the Gas Distribution baseline awareness materials to Excavators include Leak recognition and response?
Answer: Not Included
Page Number: Comments: Not included for Excavators

Question: Do the Gas Distribution baseline awareness materials to

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63) Question: Do the Gas Distribution baseline awareness materials to Excavators include How to get additional information?
Answer: Not Included
Page Number: Not included for Excavators
Comments: 

64) Question: Is the Gas Distribution operator a member of all appropriate one-call centers?
Answer: Not Included
Page Number: Letter page 1
Comments: Cited that direct contact is used with excavators instead of a one-call notification system

65) Question: Section 6.2 Does the program describe the process and procedure used to determine whether supplemental elements will be implemented in response to Third-party damage incidents?
Answer: No
Page Number: The operator submitted excerpts from their Natural Gas System Procedures Manual and a few sample messages and not a plan for implementing a public awareness program for a transmission system and a local gas distribution system.
Comments: 

66) Question: Does the program describe the process and procedure used to determine whether Supplemental Elements will implemented in response to any factor other than High Consequence Areas and Third party damage?
Answer: No
Page Number: The operator submitted excerpts from their Natural Gas System Procedures Manual and a few sample messages and not a plan for implementing a public awareness program for a transmission system and a local gas distribution system.
Comments: 

67) Question: Section 8.3 Does the program include an annual audit or review of whether the program has been developed and implemented according to the guidelines in RP 1162?
Answer: Not Included
Page Number: The operator submitted excerpts from their Natural Gas System Procedures Manual and a few sample messages and not a plan for implementing a public awareness program for a transmission system and a local gas distribution system.
Comments: 

68) Question: Section 8.3 How will the operator measure program

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Question: Section 8.4 Does the program include an effectiveness evaluation methodology for Percentage of each audience reached with desired messages?

Answer: Not Included

Comments: The operator submitted excerpts from their Natural Gas System Procedures Manual and a few sample messages and not a plan for implementing a public awareness program for a transmission system and a local gas distribution system.
Comments: The operator submitted excerpts from their Natural Gas System Procedures Manual and a few sample messages and not a plan for implementing a public awareness program for a transmission system and a local gas distribution system.

Please respond at your earliest convenience.

Thank you,

Ross Reineke

PHMSA/ Western Region- CATS Manager

720-963-3182