

NOV 15 2010

The Honorable Edward S. Itta
Mayor
North Slope Borough
P.O. Box 69
Barrow, AK 99723

Re: CPF No. 5-2009-0011

Dear Mayor Itta:

Enclosed please find the Final Order issued in the above-referenced case. It makes findings of violation and finds that the North Slope Borough has completed the actions specified in the Notice to comply with the pipeline safety regulations. Therefore, this case is now closed. Service of the Final Order by certified mail is deemed effective upon the date of mailing, or as otherwise provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Enclosure

cc: Mr. Chris Hoidal, Director, Western Region, PHMSA

CERTIFIED MAIL – RETURN RECEIPT REQUESTED [7005 1160 0001 0041 0657]

**U.S. DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590**

)	
In the Matter of)	
)	
North Slope Borough, Alaska,)	CPF No. 5-2009-0011
)	
Respondent.)	
)	

FINAL ORDER

On March 3-5, 2008, pursuant to 49 U.S.C. § 60117, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), conducted an on-site pipeline safety inspection of North Slope Borough (NSB or Respondent)'s facilities and records in Barrow, Alaska. NSB owns and operates a 6-mile natural transmission pipeline that transports gas from a gas gathering system located at the South Gas Field to the City of Barrow, Alaska. The pipeline feeds a distribution system and an electric power plan, both of which provide utility service to the City of Barrow. At the time of the inspection, Barrow Utilities and Electric Corporation was the operator of the system, but North Slope Borough Energy Management has since taken over operation of the pipeline.

As a result of the inspection, the Director, Western Region, OPS (Director), issued to Respondent, by letter dated May 27, 2009, a Notice of Probable Violation and Proposed Compliance Order (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that NSB had violated 49 C.F.R. §§ 192.199(f), 192.201(b), 192.703(b), and 192.739(a) and proposed ordering Respondent to take certain measures to correct the alleged violations.

NSB responded to the Notice by letter dated July 1, 2009 (Response). In its Response, the company renewed its argument that the NSB pipeline is exempt from the Pipeline Safety Laws and Regulations, pursuant to Section 2(c) of the Barrow Gas Field Transfer Act.¹ Without waiving this argument, NSB did not contest the allegations of violation in the Notice and provided information concerning the corrective actions it planned to complete by August 2009. Respondent did not request a hearing and therefore has waived its right to one.²

¹ The jurisdiction of PHMSA regarding this line was addressed in a Decision on Petition for Reconsideration filed in CPF No. 5-1998-0016, issued on June 8, 2009. In the Decision, I ruled that the exemption in the federal Barrow Gas Field Transfer Act applies to the "Barrow gas fields" and "related support facilities," but not to the NSB transmission pipeline. See, *In re North Slope Borough, Alaska*, Decision on Petition for Reconsideration, CPF No. 5-1998-0016 (June 8, 2009) (available at www.phmsa.dot.gov/pipeline/enforcement).

² On March 10, 2010, PHMSA erroneously issued a closure letter to the North Slope Borough. This letter was rescinded on March 12, 2010, as the Final Order had not yet been issued in this case.

FINDINGS OF VIOLATION

In its Response, NSB did not contest the allegations in the Notice that it violated 49 C.F.R. Part 192, as follows:

Item 1: The Notice alleged that Respondent violated 49 C.F.R. § 192.199(f), which states:

§ 192.199 Requirements for design of pressure relief and limiting devices.

Except for rupture discs, each pressure relief or pressure limiting device must:

(a)

(f) Be designed and installed so that the size of the openings, pipe, and fittings located between the system to be protected and the pressure relieving device, and the size of the vent line, are adequate to prevent hammering of the valve and to prevent impairment of relief capacity....

The Notice alleged that Respondent violated 49 C.F.R. § 192.199(f) by failing to ensure that pressure relief devices were installed so that the size of the openings, pipe, and fittings located between the transmission pipeline and the pressure relieving device, including the vent line, were adequate to prevent impairment of the relief capacity. Specifically, the Notice alleged that the discharge vent for a relief valve, SSD-310, was connected to a common manifold line that had several other devices connected to it. All of the devices relieved into the same common manifold.

The Notice alleged that this design did not allow for the safe venting of SSD-310 because a pressure build-up could rupture the pipeline. Industry practice requires pressure-relief devices to contain their own independent vent to the outside of a building and to be sized in accordance with the manufacturer's instructions in order to prevent hazardous conditions such as a high-discharge pressure in the discharge piping.³ Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 192.199(f) by failing to ensure that all pressure relief and limiting devices were adequate to prevent impairment of relief capacity.

Item 2: The Notice alleged that Respondent violated 49 C.F.R. § 192.201(b), which states:

§ 192.201 Required capacity of pressure relieving and limiting stations.

(a)

(b) When more than one pressure regulating or compressor station feeds into a pipeline, relief valves or other protective devices must be installed at each station to ensure that the complete failure of the largest capacity regulator or compressor, or any single run of lesser capacity regulators or compressors in that station, will not impose pressures on any part of the pipeline or distribution system in excess of those for which it was designed, or against which it was protected, whichever is lower.

³ National Fuel Gas Handbook, Section 5.8.5 (2002).

The Notice alleged that Respondent violated 49 C.F.R. § 192.201(b) by failing to provide separate relief valves for the primary and secondary gas handling facilities known as the East and Walakpa facilities. Both facilities are connected to the same overpressure protection device. Since both facilities include pressure regulating stations and feed the Barrow natural gas transmission line, Respondent must provide separate overpressure protection devices to ensure the safety of the line. Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 192.201(b) by failing to provide separate relief valves or other protective devices at the East and Walakpa gas handling facilities.

Item 3: The Notice alleged that Respondent violated 49 C.F.R. § 192.703(b), which states:

§ 192.703 General.

- (a)
- (b) Each segment of pipeline that becomes unsafe must be replaced, repaired, or removed from service....

The Notice alleged that Respondent violated 49 C.F.R. § 192.703(b) by failing to replace, repair, or remove from service a segment of pipeline that had become unsafe. Specifically, the Notice alleged that NSB failed to maintain the pressure relief valve SSD-310 in a safe condition. This valve is the primary overpressure protection device for NSB's gas transmission line that serves Barrow. The valve was locked out of service on April 4, 2007, and had not been repaired and placed back into service at the time of the inspection in March 2008. As a result, there was no overpressure protection on this segment of NSB's natural gas transmission line. Respondent did not contest this allegation of violation. Accordingly, based upon a review of the evidence, I find that Respondent violated 49 C.F.R. § 192.703(b) by failing to replace, repair, or remove from service a pipeline that had become unsafe.

Item 4: The Notice alleged that Respondent violated 49 C.F.R. § 192.739(a), which states:

§ 192.739 Pressure limiting and regulating stations: Inspection and testing.

- (a) Each pressure limiting station, relief device (except rupture discs), and pressure regulating station and its equipment must be subjected at intervals not exceeding 15 months, but at least once each calendar year, to inspections and tests to determine that it is –
 - (1) In good mechanical condition;
 - (2) Adequate from the standpoint of capacity and reliability of operation for the service in which it is employed;
 - (3) Except as provided in paragraph (b) of this section, set to control or relieve at the correct pressure consistent with the pressure limits of § 192.201(a); and
 - (4) Properly installed and protected from dirt, liquids, or other conditions that might prevent proper operation.

The Notice alleged that Respondent violated 49 C.F.R. § 192.739(a) by failing to demonstrate that each pressure limiting station, relief device, and pressure regulating station had been inspected and tested annually. Specifically, the Notice alleged that NSB could not provide inspection records for each pressure limiting station, relief device, and regulating station for each calendar year. Inspection records were not available for two pressure regulating devices within the primary South gas handling facility for the calendar year 2007, and two pressure regulating devices within the Walakpa secondary gas handling facility for the years 2005-2007. Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. 192.739(a) by failing to demonstrate that each pressure limiting station, relief device, and pressure regulating station had been inspected and tested annually.

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 with respect to Items 1, 2, 3, and 4 in the Notice for violations of 49 C.F.R. §§ 192.199(f), 192.201(b), 192.703(b), and 192.739(a), respectively. 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. The Director indicates that Respondent has taken the following actions specified in the proposed compliance order:

1. With respect to the violation of § 192.199(f) (**Item 1**), Respondent has replaced the SSD-310 valve with a pressure relief valve and installed vent piping to allow the valve to vent directly to the atmosphere.
2. With respect to the violation of § 192.201(b) (**Item 2**), Respondent has installed pressure-relief valves in both gas handling facilities and installed vent piping to allow the valves to vent directly to the atmosphere.
3. With respect to the violation of § 192.703(b) (**Item 3**), Respondent provided a backup compressor for the SSD-310 valve as a temporary fix until the valve could be replaced, and added the valve to the NSB's daily inspection list. On October 26, 2009, PHMSA confirmed that Respondent had installed pressure-relief valves in both the primary and secondary gas handling facilities, eliminating the need for the temporary backup compressor. The new relief valves are scheduled for annual maintenance and valve capacity verification.
4. With respect to the violation of § 192.739(a) (**Item 4**), on October 26, 2009, PHMSA confirmed that Respondent had established a maintenance program for the new pressure-relief valves. Respondent also completed annual maintenance for the other control devices in 2009.

Accordingly, I find that compliance has been achieved with respect to these violations. Therefore, the compliance terms proposed in the Notice are not included in this Order.

The terms and conditions of this Final Order are effective upon service in accordance with 49 C.F.R. § 190.5.

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Date Issued