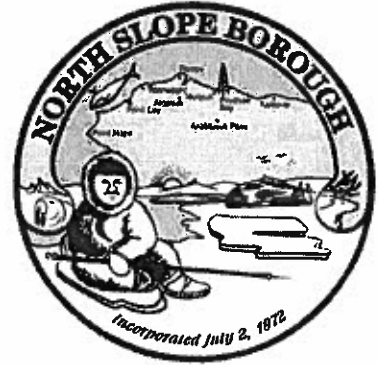


North Slope Borough

OFFICE OF THE MAYOR

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Edward S. Itta, Mayor

July 1, 2009

Mr. Chris Hoidal
Director, Western Region
Pipeline and Hazardous Materials Safety Administration
U.S. Department of Transportation
12300 W. Dakota Ave., Suite 110
Lakewood, CO 80228

RE: CPF 5-2009-0011, Notice of Probable Violation Reply

Dear Mr. Hoidal:

As a preliminary matter the North Slope Borough objects to the alleged probable violations on the basis that the "Barrow Gas Field Transfer Act of 1984" (PL 98-366; July 17, 1984) continued the exemption of the Barrow gas fields and related support facilities from the Pipeline Safety Act, title 49 of the Code of Federal Regulations, governing the design, construction, and operation of gas pipelines, wells and related facilities. (PL 98-366, sec. 2 (c)) That exemption remains in effect.

Without waiving the foregoing defense the North Slope Borough responds to the allegations in the Notice of Probable Violation dated May 27, 2009, with the following information:

Item 1. 192.199 Requirements for design of pressure relief and limiting devices.

Item #1 relates to the SSV-310 pressure limiting valve in the Primary Gas Handling Facility (PGHF). It is a Safety Shut Down device that was designed to act as an overpressure safety device for the gas transmission line from the gas field into town. The SSV-310 valve replacement is scheduled for August 2009 and the design for this PRV includes installing vent piping to a through-roof penetration where it will vent directly to atmosphere. This work should be completed by the end of August, 2009.

Item 2. 192.201 required capacity of pressure relieving and limiting stations.

Item # 2 concerns a non-functional Motor Operated Valve (MOV2) at the Secondary Gas Handling Facility (SGHF). In view of item 1. (above), both the PGHF and the SGHF are each required by CFR 49.192 to have their own overpressure safety device and we have scheduled the MOV2 to be removed and replaced with an atmosphere-vented PRV this summer. Again, completion is scheduled for the end of August, 2009.

Item 3. 192.703 General

Item # 3 refers again to the SSV-310 valve. The borough installed a backup compressor as a temporary fix until the SSV-310 valve could be replaced. The SSV-310 valve was placed back in service on June 4, 2008. The valve was also made part of the operator's daily routine plant inspections.

Since the March 3-5, 2008 inspection there have been significant changes to the operation of the Barrow Gas Field including the 6" transmission line. The Borough has assumed the operation of the transmission line as of June 1, 2008. We have initiated a six year Capital Improvement Program that includes replacement of the SSV-310 valve and the installation of overpressure safety devices in both the PGHF and SGHF facilities as stated above. All these activities are scheduled to be completed by the end of August, 2009.

Item 4. 192.739 Pressure limiting and regulating stations: Inspection and testing.

The Borough has a process in place to inspect and test the PCVs (pressure regulating stations) and SSV-310 (pressure limiting station). The Borough's PCV's and SSV-310 have been inspected and tested on a regular basis. Testing records are maintained. Regular testing is on an annual basis, usually in August of each year.

If you are in need of additional information please feel free to contact Marvin Olson, Director of Public Works at (907) 852-0416.

Sincerely,

A handwritten signature in black ink, appearing to read "M Olson" with "Acting Mayor" written in smaller text to the right.

Mayor Edward Itta

cc. Marvin Olson, Director Public Works
Kent Grinage, Division Manager, Fuel and Natural Gas, Public Works