WARNING LETTER

VIA UPS: 1Z WR2 588 03 9131 1081

August 25, 2011

Mr. Dave Bredin
Director of Operations
Enstar Natural Gas Company
401 East International Airport Rd.
Anchorage, AK 99519-0288

CPF 5-2011-0013W

Dear Mr. Bredin:

On May 23, 2011, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected the Public Awareness Program for Enstar Natural Gas Company’s (Enstar) subsidiary, Alaska Pipeline Company. The Public Awareness Program inspection was performed in Anchorage, Alaska.

As a result of the inspection, it appears that Enstar has committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violations are:

1. §192.616 Public Awareness
   (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.

   Enstar’s records and discussion with operations personnel indicated that emergency officials were contacted by mail every 2 years, with some districts having additional face-to-face contact annually with emergency officials. Enstar must document the annual contacts with emergency officials.
Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed $100,000 for each violation for each day the violation persists up to a maximum of $1,000,000 for any related series of violations. We have reviewed the circumstances and supporting documents involved in this case, and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to correct the items identified in this letter. Failure to do so will result in Enstar being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to CPF 5-2011-0013W and send all documents to our office at 188 W. Northern Lights Blvd., Suite 520, Anchorage, AK 99503. 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).

Sincerely,

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

cc: PHP-60 Compliance Registry
PHP-500 B. Flanders (#134582)