



U.S. Department
of Transportation

Pipeline and Hazardous Materials
Safety Administration

12300 W. Dakota Ave., Suite 110
Lakewood, CO 80228

WARNING LETTER

VIA UPS GROUND

October 25, 2011

Mr. Dave Bredin
Director of Operations
Enstar Natural Gas Co.
401 East International Airport Rd.
P.O. Box 1902888
Anchorage, AK 99519-0288

CPF 5-2011-0021W

Dear Mr. Bredin:

On September 26-28, 2011, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected your Whittier/Girdwood Pipeline in Anchorage, Alaska.

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

1. **§192.481 Atmospheric corrosion control: Monitoring.**
(a) Each operator must inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion, as follows:

| If the pipeline is located: | Then the frequency of inspection is: |
|------------------------------------|---|
| Onshore | At least once every 3 calendar years, but with intervals not exceeding 39 months |
| Offshore | At least once each calendar year, but with intervals not exceeding 15 months |

- (b) During inspections the operator must give particular attention to pipe at soil-to-air interfaces, under thermal insulation, under disbanded coatings, at**

pipe supports, in splash zones, at deck penetrations, and in spans over water.

- 1) Enstar's pipeline runs approximately 3 miles through a tunnel just before Whittier. The pipe in the tunnel is subject to atmospheric corrosion monitoring.
- 2) Entsar's annually ground patrol indicated several locations where the pipeline is exposed and is subject to atmospheric corrosion.

2. §192.723 Distribution systems: Leakage surveys.

(a) Each operator of a distribution system shall conduct periodic leakage surveys in accordance with this section.

(b) The type and scope of the leakage control program must be determined by the nature of the operations and the local conditions, but it must meet the following minimum requirements:

(1) A leakage survey with leak detector equipment must be conducted in business districts, including tests of the atmosphere in gas, electric, telephone, sewer, and water system manholes, at cracks in pavement and sidewalks, and at other locations providing an opportunity for finding gas leaks, at intervals not exceeding 15 months, but at least once each calendar year.

(2) A leakage survey with leak detector equipment must be conducted outside business districts as frequently as necessary, but at least once every 5 calendar years at intervals not exceeding 63 months. However, for cathodically unprotected distribution lines subject to § 192.465(e) on which electrical surveys for corrosion are impractical, a leakage survey must be conducted at least once every 3 calendar years at intervals not exceeding 39 months.

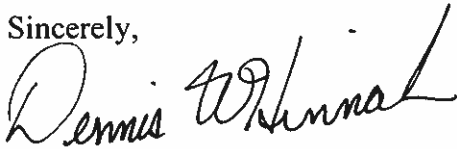
The right-of-way between Power Line Pass and Twenty Mile has become overgrown with vegetation and prevents effective patrolling and leak detection.

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 Natural Gas Company 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 5-2011-0021W**. 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,

A handwritten signature in black ink that reads "Dennis Hinnah". The signature is written in a cursive style with a large initial "D".

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

Cc: PHP-60 Compliance Registry
PHP-500 B. Flanders (#135541)