



U.S. Department
of Transportation

Pipeline and Hazardous Materials
Safety Administration

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

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

June 8, 2015

Mr. Jared Green
President
Enstar Natural Gas Company
P.O. Box 190288
Anchorage, AK 99519-0288

CPF 5-2015-0005M

Dear Mr. Green:

On March 17-21, 2014, April 28-May 2, 2014, and June 2-6, 2014, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected Enstar Natural Gas Company's (Enstar) Standard Operating Procedures (SOP) in Anchorage, Alaska.

On the basis of the inspection, PHMSA identified the following apparent inadequacies within Enstar Natural Gas Company's plans or procedures, as described below:

1. **§192.605 Procedural manual for operations, maintenance, and emergencies**
 - (b) **Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.**
 - (1) **Operating, maintaining, and repairing the pipeline in accordance with each of the requirements of this subpart and Subpart M of this part.**

Enstar did not have adequate procedures for the following Maintenance and Operation activities as required by Subparts L & M, 49 CFR Part 192:

- A process for determining the maximum allowable operating pressure (MAOP) for its lower pressure distribution system operating at 60 psig or less in accordance with §192.619.
- A procedure that ensures the checking and servicing of valves used for the safe operation of a distribution system. Enstar's SOP 1306 titled "Operating Valve Maintenance Procedure," did not specify the types of operating devices that are permitted for use in operating valves for valve maintenance and inspection activities per the requirements of §192.747. A valve maintenance record review found documented use of wrenches, wheels, gear, keys, and cheater bars as operating devices.

2. §192.605 Procedural manual for operations, maintenance, and emergencies

(b) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.

(2) Controlling corrosion in accordance with the operations and maintenance requirements of Subpart I of this part.

Enstar's procedures, SOP 1505 titled "Corrosion Control Policy," were inadequate because they did not address the following corrosion regulations per the requirements of 49 CFR Part 192, Subpart I:

- §192.452(a) requires that each buried or submerged pipeline that has been converted to gas service and was installed after July 31, 1971 be protected against external corrosion unless exempted. Records showed evidence that Enstar converted an 8-inch gas main line from a jet fuel line on the Joint Base Elmendorf-Richardson in 1995. While this conversion was done in accordance with 192.452(a), there was no provision in the O&M manual to address conversions in the future. To that end, Enstar must ensure future pipelines subject to conversion of service will be protected against external corrosion in accordance with Subpart I.
- §192.455(a) requires that each buried or submerged pipeline installed after July 31, 1971 be protected against external corrosion, including an external protective coating and a cathodic protection system installed within 1 year after completion of construction.
- The procedures also did not adequately describe the process for identifying interference bonds that are used to monitor cathodic protection system integrity.

3. §192.605 Procedural manual for operations, maintenance, and emergencies

(b) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.

(3) Making construction records, maps, and operating history available to appropriate operating personnel.

Enstar's procedures, SOP 1315 titled "Engineering Records Retention Procedures" did not adequately address making construction records, maps, and operating history available to the appropriate operating personnel. Enstar's current use of a Geographic Information System (GIS) as a source of pipeline maps must be maintained and updated as appropriate. A procedure to require that update must be included. The procedures also did not adequately specify the code requirement of §192.605(b) (3) that operating history, maps, and records be made available to appropriate operating personnel.

4. §192.615 Emergency plans.

(b) Each operator shall:

(2) Train the appropriate operating personnel to assure that they are knowledgeable of the emergency procedures and verify that the training is effective.

Enstar's procedures, SOP 1105 titled "Enstar Emergency Operating Plan," did not specify the methods of emergency preparedness and response training and post-training evaluations. In addition, the procedures lacked directives to document and act upon the recommendations for improvement identified in the training evaluations.

5. §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).

Enstar's Public Awareness Program did not adequately address the following per the requirements of §192.616 and referenced API's Recommended Practice 1162.

- Program documentation did not show evidence of a written statement of commitment of management support and allocation of resources and funding as recommended in API RP 1162 Section 2.7 Program Development Guide and 7.1 Program Documentation.
- A description of the methods used to identify the individual stakeholders in the four stakeholder audience groups: (1) affected public, (2) emergency officials, (3) local

public officials, and (4) excavators, as well as affected municipalities, school districts, businesses, and residents. The procedures must clearly identify the process and data sources used to identify these individual stakeholders for inclusion in outreach efforts.

- The specified frequency of effectiveness evaluations and the stakeholder audiences to be evaluated. The procedures did not adequately describe the evaluation process and the methodology used in the effectiveness evaluations.

6. §192.616 Public awareness.

(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.

Enstar's O&M procedures, SOP 1162 "Public Awareness Program," did not include an adequate description of each pipeline system's unique attributes and characteristics. SOP 1162 listed several pipeline systems that are included in Enstar's Public Awareness Program, including Enstar's distribution pipelines, Alaska Pipeline Company transmission pipelines, pipelines owned by others and operated by Enstar or Norstar Pipeline Company, and Cook Inlet Natural Gas Storage Alaska (CINGSA).

7. §192.805 Qualification program.

Each operator shall have and follow a written qualification program. The program shall include provisions to:

(h) After December 16, 2004, provide training, as appropriate, to ensure that individuals performing covered tasks have the necessary knowledge and skills to perform the tasks in a manner that ensures the safe operation of pipeline facilities; and

Enstar's procedures for plastic pipe joints did not adequately address the requirements of §192.287 "Plastic pipe: Inspection of joints." Enstar's SOP 2240 "How to Qualify an Individual to Make Plastic Pipe Joints" did not specify that no person may carry out the inspection of joints in plastic pipes unless that person has been qualified by appropriate training or experience in evaluating the acceptability of plastic pipe joints made under the applicable joining procedure.

8. §192.1007 What are the required elements of an integrity management plan?

A written integrity management plan must contain procedures for developing and implementing the following elements:

(b) Identify threats. The operator must consider the following categories of threats to each gas distribution pipeline: corrosion, natural forces, excavation damage, other outside force damage, material or welds, equipment failure, incorrect operations, and other concerns that could threaten the integrity of its pipeline. An operator must consider reasonably available information to identify

existing and potential threats. Sources of data may include, but are not limited to, incident and leak history, corrosion control records, continuing surveillance records, patrolling records, maintenance history, and excavation damage experience.

Enstar's procedures, SOP 2102 "Distribution Integrity Management Program (DIMP)," did not consider their association or training from industry trade, training, research and technical organizations to assist in identifying potential threats. Enstar is associated with or has employees who received training from the following industry groups: AGA, Western Energy Institute, PPI, NACE, and Gas Technology Institute.

9. §192.1007 What are the required elements of an integrity management plan?

A written integrity management plan must contain procedures for developing and implementing the following elements:

(f) Periodic Evaluation and Improvement. An operator must re-evaluate threats and risks on its entire pipeline and consider the relevance of threats in one location to other areas. Each operator must determine the appropriate period for conducting complete program evaluations based on the complexity of its system and changes in factors affecting the risk of failure. An operator must conduct a complete program re-evaluation at least every five years. The operator must consider the results of the performance monitoring in these evaluations.

Enstar's procedures, SOP 2102 "Distribution Integrity Management Program (DIMP)," lacked specific directives to monitor completion of issues identified through periodic evaluation. PHMSA representatives found a lack of documentation to support steps were taken to address the issues identified, changes were made as needed, the date completed, and that these changes were communicated to Enstar's organization as appropriate. SOP 2102 must clearly define each step of the evaluation process.

10. §191.22 National Registry of Pipeline and LNG Operators.

(d) Reporting. An operator must use the OPID issued by PHMSA for all reporting requirements covered under this subchapter and for submissions to the National Pipeline Mapping System.

Enstar's procedures, SOP 1330 titled "Expenditure Request," did not specify the code requirement to use OPIDs for all reporting requirements and National Pipeline Mapping System submissions.

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.

It is requested (not mandated) that Enstar Natural Gas Company maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Chris Hoidal, Director, Western Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 5-2015-0005M** and, for each document you submit, please provide a copy in electronic format whenever possible to PHP-WRADMIN@dot.gov.

Sincerely,



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

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*

cc: PHP-60 Compliance Registry
PHP-500 C. Ishikawa (#145394)