

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

May 20, 2015

Mr. Jared Green
President
ENSTAR Natural Gas Company
401 E. International Airport Rd.
P.O. Box 190288
Anchorage, AK 99519-0288

CPF 5-2015-0006W

Dear Mr. Green:

On May 4, 2015, the Pipeline and Hazardous Materials Safety Administration (PHMSA) received your April 23rd letter regarding your self-disclosure of missed valve inspections. These valves were located in Enstar's Northern Division.

Based on your self-disclosure, it appears that you have committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The self-disclosed items and the probable violations are:

1. **§192.745 Valve maintenance: Transmission lines.**
 - (a) **Each transmission line valve that might be required during any emergency must be inspected and partially operated at intervals not exceeding 15 months, but at least once each calendar year.**

Per §192.745, transmission line valves must be inspected within a required time frame of once each calendar year not to exceed 15 months. Through Enstar's self-disclosure, it was revealed that they did not inspect 27 transmission line valves within the required time frame. These valves were not inspected until 16-30 days past the required inspection date.

2. §192.747 Valve maintenance: Distribution systems.

(a) Each valve, the use of which may be necessary for the safe operation of a distribution system, must be checked and serviced at intervals not exceeding 15 months, but at least once each calendar year.

In reference to §192.747, distribution valves must be checked and serviced at intervals within a required time frame of once each calendar year not to exceed 15 months. Through Enstar's self-disclosure, it was discovered that ten (10) distribution valves were not inspected within the required time frame. These valves were inspected 16-30 days past the required date.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$200,000 per violation per day the violation persists up to a maximum of \$2,000,000 for a related series of violations. For violations occurring prior to January 4, 2012, the maximum penalty may not exceed \$100,000 per violation per day, with a maximum penalty not to exceed \$1,000,000 for a 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.

Please notify PHMSA when ENSTAR will be inspecting these specific valves in 2015. Please include the **CPF 5-2015-0006W** in your response. 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,

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

cc: PHP-60 Compliance Registry
PHP-500 D. Hassell (#150471)