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By [U.S. Postal Service Certified Mail]

August 4, 2015

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

RE: Notice of Amendment
CPF No. 5-2015-0005M

Dear Mr. Hoidal,

On June 12, 2015, ENSTAR received the above-referenced Notice of Amendment (NOA), dated June 8, 2015, from the Pipeline and Hazardous Materials Safety Administration (PHMSA). ENSTAR takes seriously the procedural inadequacies that PHMSA has detailed in the NOA. By way of this letter and pursuant to 49 C.F.R. § 190.206, ENSTAR respectfully submits its response to the NOA. ENSTAR has made a number of changes to its Standard Operating Procedures (SOP) in response to the NOA. For each of the 10 items in the NOA, ENSTAR has set out the relevant regulatory text, PHMSA's allegation, followed by the company's response. ENSTAR's amended procedures are enclosed with this letter within the proposed 60 day amendment period described in the NOA letter.

Item 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.

PHMSA Allegations

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.*

ENSTAR Actions Taken

ENSTAR's SOP 1325, Pipeline Design and MAOP Validation has been updated to include a process for determining the MAOP for the distribution system.

ENSTAR's SOP 1306, Operating Valve Maintenance, Section III (D), has been updated to specify the types of operating devices that are permitted for use when operating valves.

Item 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.

PHMSA Allegations

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.*

ENSTAR Actions Taken

ENSTAR's SOP 1505, Corrosion Control Policy, Section I (A), was amended to specifically reference converted pipelines as subject to the corrosion control requirements of Subpart I.

SOP 1505, Section I, was updated to address the reference to § 192.455(a), regarding external pipe coating and cathodic protection.

SOP 1505, Section VI (E) (4) and (E) (5), were updated to include interference bond identification and testing in accordance with § 192.473.

Item 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.

PHMSA Allegations

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.

ENSTAR Actions Taken

ENSTAR made several revisions to its SOP 1315, Engineering Records Retention Procedures, to reflect current practices and address PHMSA's concerns. SOP 1315, Section VII, was revised to define ENSTAR's GIS and state that the information contained within the GIS is updated on a continual or as-needed basis. The SOP provides general information about the methods ENSTAR typically uses to create and maintain GIS data. The SOP states that CAD drawings can also be created to support various projects. It states that CAD and GIS data, along with data contained in other databases, may be used to produce the as-built books and other map products depicting the ENSTAR and APC transmission and distribution systems.

SOP 1315, Section VII, was also amended to provide that transmission and distribution system information may be made available to operating personnel through various desktop, web, and mobile mapping applications. It also mentions who is responsible for overseeing GIS data entry and ensuring periodic backups of the GIS databases and electronic file systems are made. In addition it states that scanned completion reports and other construction records pertaining to gas facilities are stored within folders and the Company's document management system.

Item 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.

PHMSA Allegation

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.

ENSTAR Action Taken

ENSTAR has amended its SOP 1105, Emergency Operating Plan, to reflect that emergency procedures will be a required Operator Qualification training for appropriate operating ENSTAR personnel. Post training evaluations, such as knowledge tests, drills, etc. will be incorporated in the process.

Item 5

§ 192.616 Public awareness.

(a) Except for an operator of a master meter or petroleum gas system covered under paragraph G) 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).

PHMSA Allegation

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.*

Action Taken

ENSTAR's latest revision of SOP 1162, Public Awareness Program, reflect a variety of changes to address these concerns. First, Attachment 1: Management Support, includes a written

statement of commitment from ENSTAR president, Jared Green. Second, Section 3 of the SOP indicates how stakeholder's contact information is verified for Emergency Officials, Local Public Officials and Excavators and Contractors. Third, Section VI of the SOP, Public Awareness Program Evaluation, was amended to expand on the effectiveness evaluation process and clearly defines how evaluations will be done.

Item 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.

PHMSA Allegation

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).

ENSTAR Action Taken

ENSTAR's latest revision of SOP 1162, Public Awareness Program, dated 12/3/2014, Section II: "Pipelines and facilities in ENSTAR's Pubic Awareness Program include, but not limited to," has expanded the list to include additional facilities.

Item 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

PHMSA Allegation

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.

Action Taken

ENSTAR's SOP 2240 Section IV, B, How to Qualify an Individual to Make Plastic Pipe Joints, has been updated to include the requirements of §192.287.

Item 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.

PHMSA Allegation

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.

ENSTAR Actions Taken

ENSTAR's SOP 2102, Distribution Integrity Management Program, Page No. 3 of 9, has been updated to include memberships and associations with relevant industry trade organizations. These organizations are recognized as follows:

- The American Gas Association (AGA)
- Plastic Piping Data Collection Initiative
- Western Energy Institute (WEI)
- Gas Piping Technology Committee (GPTC)
- National Association of Corrosion Engineers (NACE International)
- American Society of Mechanical Engineers (ASME)
- Common Ground Alliance (CGA)

Item 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:

(t) 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.

PHMSA Allegation

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.

Action Taken

ENSTAR's SOP 2102 has been revised to show another step in the periodic evaluation process. This step addresses the communication and implementation of changes in the DIMP program to the appropriate ENSTAR personnel. Periodic evaluation and improvement forms have been developed as shown on pages 9-11 in SOP 2102 to document the completion of each step in the evaluation process and any related changes.

Item 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.

PHMSA Allegation

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.

ENSTAR Action Taken

ENSTAR's SOP 1320, Capital Expenditures, Section VI(C), Notification to PHMSA, was updated to specify that ENSTAR will use its PHMSA OPID when submitting reports under Part 191, subpart D, as well as for NPMS submittals.

Should you have any questions regarding our response, please feel free to call me at 907-264-3745.

Sincerely

David W. Bredin
Director of Operations
ENSTAR Natural Gas Company

Cc: Jared Green
John Lau
Moira Smith
Steve Cooper

Enclosures:

Relevant Sections of ENSTAR's Revised Standard Operating Procedures