



U.S. Department
of Transportation

Pipeline and Hazardous
Materials Safety
Administration

1200 New Jersey Avenue, SE
Washington, D.C. 20590

FEB 26 2010

Mr. David W. Bredin
Director of Operations
ENSTAR Natural Gas Company
401 E. International Airport Road
Anchorage, AK 99519-0288

PHMSA-2009-0054

Dear Mr. Bredin:

On September 21, 2007, you wrote to the Pipeline and Hazardous Materials Safety Administration (PHMSA), requesting a special permit to waive compliance from the line marker requirements in PHMSA's pipeline safety regulation, in 49 CFR 192.707.

PHMSA is denying this special permit request. The reason for this denial can be found in the enclosed special permit analysis and findings document. All other pertinent documents are available for review in Docket No. PHMSA-2009-0054 in the Federal Docket Management System (FDMS) located on the internet at www.Regulations.gov.

My staff would be pleased to discuss this denial or any other regulatory matter with you. John Gale, Director of Regulations (202-366-0434), may be contacted on regulatory matters and Alan Mayberry, Director of Engineering and Emergency Support (202-366-5124), may be contacted on technical matters specific to this denial.

Sincerely,

Jeffrey D. Wiese
Associate Administrator for Pipeline Safety

Enclosure: Special Permit Analysis & Findings

U.S. DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION (PHMSA)

Special Permit Analysis and Findings

Purpose:

The Pipeline and Hazardous Materials Safety Administration (PHMSA) provides this document to describe the relevant facts of the special permit request outlined below, to discuss any public comments received regarding the special permit request, to present the safety analysis accomplished with regards to the special permit request, and to list the findings supporting the denial of this request for a special permit submitted by ENSTAR Natural Gas Company, to use a risk based approach for installing and maintaining pipeline markers.

Special Permit Information:

Docket Number: PHMSA-2009-0054

Pipeline Operator: ENSTAR Natural Gas Company

Date Requested: September 21, 2007

Code Section(s): 49 CFR § 192.707

System Affected:

This special permit request denial pertains to the ENSTAR Natural Gas Company transmission and distribution pipelines in Alaska.

Special Permit Request:

On September 21, 2007, ENSTAR Natural Gas Company (ENSTAR) requested a special permit to waive compliance from PHMSA's pipeline safety regulation 49 CFR § 192.707, for exemption from installing pipeline markers over gas mains and transmission lines at road and railroad crossings in Class 1 and 2 locations, and instead adopt a risk based policy of installing pipeline markers on large diameter gas mains in Class 1 and 2 locations.

ENSTAR did not define or submit in the September 21, 2007, request any standards, procedures or other safety criteria to use to implement a “risk based” policy for installing and maintaining pipeline markers.

The natural gas pipeline safety regulations in 49 Code of Federal Regulations Part § 192.707 require:

(a) Buried pipelines. Except as provided in paragraph (b) of this section, a line marker must be placed and maintained as close as practical over each buried main and transmission line:

- (1) At each crossing of a public road and railroad; and*
- (2) Wherever necessary to identify the location of the transmission line or main to reduce the possibility of damage or interference.*

(b) Exceptions for buried pipelines. Line markers are not required for the following pipelines:

- (1) Mains and transmission lines located offshore, or at crossings of or under waterways and other bodies of water.*
- (2) Mains in Class 3 or Class 4 locations where a damage prevention program is in effect under §192.614.*
- (3) Transmission lines in Class 3 or 4 locations until March 20, 1996.*
- (4) Transmission lines in Class 3 or 4 locations where placement of a line marker is impractical.*

(c) Pipelines aboveground. Line markers must be placed and maintained along each section of a main and transmission line that is located aboveground in an area accessible to the public.

Public Notice:

On April 28, 2008, PHMSA posted a notice of this special permit request in the Federal Register (74 FR 19264). PHMSA did not receive any comments for or against this special permit request as a result of this notice. The request letter, Federal Register notice and all other pertinent

documents are available for review in Docket No. PHMSA-2009-0054, in the Federal Docket Management System (FDMS) located on the Internet at www.Regulations.gov.

Analysis:

The pipeline safety regulations require that for above ground gas mains and transmission pipelines, that the line markers must be placed and maintained in accordance with § 192.707. The safety regulations do not permit an operator of a pipeline to place markers based upon a risk based approach.

PHMSA's review of the ENSTAR special permit request has found that ENSTAR did not provide any data to support its proposed risk based alternative including standards, procedures or other safety criteria to implement such a safety program to meet § 192.707.

Findings:

PHMSA finds that granting a special permit to ENSTAR based upon a risk based approach is inconsistent with pipeline safety. Doing so will not provide a level of safety equal to, or greater than the federal regulations covered in 49 CFR § 192.707, under requirements for pipeline marker installations and maintenance.

PHMSA hereby denies this special permit request.

FEB 26 2010

Completed in Washington, DC on: _____