

February 26, 2025

Senate Labor & Commerce Committee
Senator Jesse Bjorkman, Chair
Senator Kelly Merrick, Vice Chair
Alaska State Capitol
Juneau, Alaska 99801

RE: ENSTAR Natural Gas Company Comments regarding Senate Bill 54

To the Senate Labor & Commerce Committee:

ENSTAR is writing to provide context and address concerns with the Sponsor Substitute for SB 54 which removes the licensing exemption for gas pipeline utility employees under AS 08.48.311(a)(10). We want to thank Senator Claman and his office for communicating the proposed amendment to ENSTAR and recognizing the potential impact it could have on our operations. Safety is ENSTAR's top priority and we take every measure to ensure our pipelines operate safely and reliably to serve our 155,000 customers. ENSTAR engineers are highly experienced with pipeline infrastructure design and are uniquely qualified to oversee and support this work.

At issue is a recommendation from the Natural Transportation Safety Board (NTSB) following an overpressurization event on Columbia Gas' low-pressure distribution system outside of Boston, Massachusetts in 2018. As a result, the NTSB sent form letters to 31 states with laws containing a licensing exemption for engineers working on natural gas infrastructure projects.¹ Specifically, the NTSB requested states to "remove the exemption so that all future natural gas infrastructure projects required licensed professional engineer approval and stamping."²

ENSTAR closely followed the 2018 Columbia Gas incident, along with the entire natural gas utility industry. However, ENSTAR's system is distinguishable from the root cause of the 2018 overpressurization event:

- ENSTAR does not operate a low-pressure distribution system.
 - As the American Gas Association noted in its comments before the United States Department of Transportation Pipeline and Hazardous Materials Safety Administration (PHMSA) in 2023, "Many of the proposed requirements are specific to low-pressure systems, which are particularly vulnerable to the consequences of any event that may cause overpressurization."³

¹ <https://data.nts.gov/carol-main-public/sr-details/P-19-016>

² *Id.*

³ https://www.aga.org/wp-content/uploads/2024/08/2023-11-06-SGDP-NPRM-AGA-APGA-NGA-Joint-C_Alan-Chichester.pdf at page 6.

- ENSTAR’s regulator stations and pipelines include mechanisms that provide double protection against overpressurization.

As the NTSB identified, AS 08.48.331(a)(10) provides a licensing exemption for engineers and land surveyors who are employed by utilities, among other listed entities, that do not offer these services to the public. SB 54, as currently filed with this committee, creates a carve-out that removes that exemption for work on “natural gas pipelines” as defined by AS 31.25.390. Under that definition, “‘Natural Gas Pipeline’ means a total system of pipe and connected facilities for the transportation, treatment, or conditioning, delivery, storage, or further transportation of natural gas, including all pipe, compressor stations, station equipment, and all other facilities used or necessary for an integral line of pipe to carry out the transportation of the natural gas.”⁴

The practical effect of the carve-out in SB 54, removing the licensing exemption for natural gas utilities, would mean ENSTAR’s professionally licensed engineers would need to stamp and seal more than 2,000 plans a year. This is due to the broad definition of “natural gas pipeline” including all service lines that run from the gas main in the street to a customer’s meter connected to their home or business. In 2024 alone, ENSTAR installed more than 1,800 new service lines. With five professional engineers at ENSTAR, this places a disproportionate burden and liability on gas utility engineers, as compared to engineers at private firms who may only be required to stamp and seal 10-20 plans a year.

Moreover, the overbroad definition of natural gas pipelines for purposes of this bill, unnecessarily scoops in ENSTAR land surveyors who are not currently licensed because they do not offer their services to the public. This is traditionally a hard-to-fill position at ENSTAR, a fact that would be exacerbated by an additional requirement that applicants also be licensed. Land surveyor licensing requirements are not contemplated by the NTSB recommendations and sweeping them into the carve-out in SB 54 is an unintended consequence that should be remedied by further amendment.

ENSTAR has reviewed resulting legislation from states that also received the NTSB form letter requesting statutory changes to remove licensing exemptions for engineers of pipeline infrastructure. Of the changes that the NTSB approved, ENSTAR believes the language the Nevada legislature adopted is narrowly tailored to reflect the NTSB’s intent while not overburdening gas utilities with additional licensing requirements. The Nevada legislature amended its exemption so that engineering plans for pipeline infrastructure for high-pressure distribution and transmission systems now require a stamp and seal from a professional engineer. ENSTAR believes this is a prudent and appropriately tailored approach to achieving the NTSB objectives.

⁴ AS 31.25.390(7).

Our goal is to continue to design, construct, and operate natural gas infrastructure to safely and reliably serve our customers. A narrowly-tailored revision to AS 08.48.311, informed by subject matter experts, will meet the NTSB request while also allowing gas utilities to efficiently and safely operate in the state.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Cooper", written in a cursive style.

Steve Cooper
Professional Engineer #11765
Vice President of Operations & Engineering
ENSTAR Natural Gas Company, LLC