



U.S. Department  
of Transportation

Pipeline and Hazardous Materials  
Safety Administration

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

## NOTICE OF AMENDMENT

**VIA UPS GROUND – 1Z WR2 588 03 9059 3216**

May 17, 2011

Mr. Duncan Jakes  
Operations Manager  
Fairbanks Natural Gas Company  
3408 International Way  
Fairbanks, Alaska 99701

**CPF 5-2011-0010M**

Dear Mr. Jakes:

On April 27, 2011, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected Fairbanks Natural Gas Company's (FNG) procedures for Public Awareness Program in Fairbanks, Alaska.

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

- 1. §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.**

FNG's program did not list areas where gas is not odorized or the temperature at which the liquid natural gas (LNG) is stored at or the temperature during trucking. FNG must include in their Public Awareness message where the gas is not odorized, where it is odorized, and the temperature the LNG is stored and transported at.

2. **§192.616 Public Awareness**
  - (e) **The program must include activities to advise affected municipalities, school districts, businesses, and residents of pipeline facility locations.**
  - (f) **The program and the media used must be as comprehensive as necessary to reach all areas in which the operator transports gas.**

FNG did not send information to property owners to make them aware of where their pipeline facilities crossed. FNG did send information to their customers, but they must communicate with the affected public, emergency officials, local public officials and excavators as indicated in API RP 1162.

3. **§192.616 Public Awareness**
  - (d) **The operator's program must specifically include provisions to educate the public, appropriate government organizations, and persons engaged in excavation related activities on:**
    - (2) **Possible hazards associated with unintended releases from a gas pipeline facility;**

FNG's program does not include information on the hazards associated with non-odorized LNG. FNG's program must include information on the possible hazards of releases of non-odorized LNG.

4. **§192.616 Public Awareness**
  - (c) **The operator must follow the general program recommendations, including baseline and supplemental requirements of API RP 1162, unless the operator provides justification in its program or procedural manual as to why compliance with all or certain provisions of the recommended practice is not practicable and not necessary for safety.**

FNG failed to document their annual program evaluation. FNG must document, record, keep, and evaluate their program effectiveness in accordance with API RP 1162.

#### 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 90 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 Fairbanks 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 our office at 188 W. Northern Lights Blvd., Suite 520, Anchorage, Alaska 99503. In correspondence concerning this matter, please refer to **CPF 5-2011-0010M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

A handwritten signature in black ink, appearing to read "Dennis Hinnah". The signature is written in a cursive style with a large initial "D".

Dennis Hinnah  
Deputy 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 B. Flanders (#134344)