

WARNING LETTER

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 5-2011-0011W

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 your Public Awareness Program in Fairbanks, Alaska.

As a result of the inspection, it appears that you have committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violations are:

1. §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.

Fairbanks Natural Gas Company (FNG) did not perform the following program effectiveness evaluations as indentified in API RP 1162, Section 8.4 through 8.4.4:

- Evaluation of its program to determine the number of individuals reached or justify why the evaluation was not conducted.
- Evaluation of its program to determine the percent of individuals reached within each stakeholders group or justify why the evaluation was not conducted.
- Evaluation of its program to determine the understanding of the stakeholders or justify why the evaluation was not conducted.

Under Title 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$100,000 for each violation for each day the violation persists up to a maximum of \$1,000,000 for any 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 Fairbanks Natural Gas Company being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 5-2011-0011W** and send all documents to our office at 188 W. Northern Lights Blvd., Suite 520, Anchorage, Alaska 99503. 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,

Dennis Hinnah
Deputy Director, Western Region
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry
PHP-500 B. Flanders (#134344)