



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

12300 W Dakota Ave , Suite 110
Lakewood, CO 80228

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

May 2, 2008

Mr. Dan Britton
President
Fairbanks Natural Gas
3408 International Way
Fairbanks, AK 99701-9701

CPF 5-2008-0011M

Dear Mr. Britton:

On August 24 and November 14-15, 2007, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected the Fairbanks Natural Gas procedures for Operations and Maintenance (O&M) near Big Lake, Alaska.

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

1. **§192.605 Procedural manual for operations, maintenance, and emergencies**
Each operator shall include the following in its operating and maintenance plan:
 - (a) **General.** Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response. For transmission lines, the manual must also include procedures for handling abnormal operations. This manual must be reviewed and updated by the operator at intervals not exceeding 15 months, but at least one each calendar year. This manual must be prepared before operations of a pipeline system commence. Appropriate parts of the manual must be kept at locations where operations and maintenance activities are conducted.

(c) Abnormal operation. For transmission lines, the manual required by paragraph (a) of this section must include procedures for the following to provide safety when operating design limits have been exceeded:

- (1) Responding to, investigating, and correcting the cause of:**
 - (i) Unintended closure of valves or shutdowns;**

At the time of the inspection, Fairbanks Natural Gas's O&M Manual did not have an adequate abnormal operating procedure to demonstrate that they must respond to, investigate, and correct the cause of unintended valve closures or shut downs.

- 2. **§192.605 Procedural manual for operations, maintenance, and emergencies**
Each operator shall include the following in its operating and maintenance plan:
 - (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.**

§192.453 General. (Requirements for Corrosion Control)

The corrosion control procedures required by §192.605(b)(2), including those for the design, installation, operation, and maintenance of cathodic protection systems, must be carried out by, or under the direction of, a person qualified in pipeline corrosion control methods.

At the time of the inspection, Fairbanks Natural Gas's O&M Manual for Corrosion Control did not have an adequate procedure to demonstrate that the design, installation, operation, and maintenance of the cathodic protection system must be carried out by, or under the direction of, a person qualified in pipeline corrosion control methods.

- 3. **§192.465 External corrosion control: Monitoring.**
 - (a) Each pipeline that is under cathodic protection must be tested at least once each calendar year, but with intervals not exceeding 15 months, to determine whether the cathodic protection meets the requirements of §192.463. However, if tests at those intervals are impractical for separately protected short sections of mains or transmission line, not in excess of 100 feet (30 meters), or separately protected service line, these pipelines may be surveyed on a sampling basis. At least 10 percent of these protected structures, distributed over the entire system must be surveyed each calendar year, with a different 10 percent checked each subsequent year, so that the entire system is tested in each 10-year period.**

At the time of the inspection, Fairbanks Natural Gas's O&M Manual for Cathodic Protection did not have an adequate procedure to demonstrate that they must perform annual pipe-to-soil readings to accurately monitor the effectiveness of the cathodic protection system.

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 30 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.

In correspondence concerning this matter, please refer to **CPF 5-2008-0011M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,



Chris Hoidal
Director, Western Region
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry
PHP-500 B. Brown (#118827)

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*