



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

June 19, 2008

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

**CPF 5-2008-0017M**

Dear Mr. Britton:

Between November 19 and 21, 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) for the Fairbanks Distribution System in Fairbanks, 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.

(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.

(3) **Making construction records, maps, and operating history available to appropriate operating personnel.**

At the time of the inspection, the Fairbanks Natural Gas (FNG) procedural manual did not specify the requirement to make construction records, maps, and operating history available to appropriate operating personnel. Methods to maintain, update, and disseminate these records to operating staff were not included in the manual.

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.

(5) **Starting up and shutting down any part of the pipeline in a manner designed to assure operation within the MAOP limits prescribed by this part, plus the build-up allowed for operation of pressure-limiting and control devices.**

The FNG procedural manual did not include a requirement or procedures to assure pipeline operational pressures remain within established MAOP levels (plus allowable buildup) during start up and shut down of the pipeline.

3. **§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.**

**§192.743 Pressure limiting and regulating stations: Capacity of relief devices.**

(a) **Pressure relief devices at pressure limiting stations and pressure regulating stations must have sufficient capacity to protect the facilities to which they are connected. Except as provided in §192.739(b), the capacity must be consistent**

**with the pressure limits of §192.201(a). This capacity must be determined at intervals not exceeding 15 months, but at least once each calendar year, by testing the devices in place or by review and calculations**

The FNG procedural manual did not require the testing of the pressure safety relief valve at Site 2.

- 4. §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.**

**§192.743 Pressure limiting and regulating stations: Capacity of relief devices.**

**(b) If review and calculations are used to determine if a device has sufficient capacity, the calculated capacity must be compared with the rated or experimentally determined relieving capacity of the device for the conditions under which it operates. After the initial calculations, subsequent calculations need not be made if the annual review documents that parameters have not changed to cause the rated or experimentally determined relieving capacity to be insufficient.**

The FNG procedural manual did not explicitly require the performance of an annual relief device capacity analysis for Sites 1 and 2.

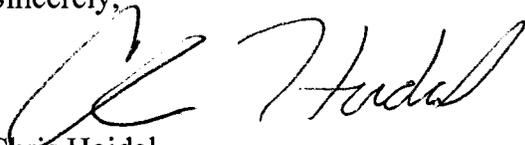
#### Response to this Notice

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 5-2008-0017M** 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 "Chris Hoidal", written over a light blue horizontal line.

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

cc: PHP-60 Compliance Registry  
PHP-500 B. Brown (#119396)

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