



July 28, 2011

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

Re: CPF 5-2011-0011W - Warning Letter
CPF 5-2011-0010M - Notice of Amendment

Mr. Hinnah,

Thank you for the opportunity to respond to the above referenced enforcement letters.

1. CPF 5-2011-0011W

1.1 *As indicted by PHMSA, FNG did not perform the following actions regarding our Public Awareness Program:*

- *Evaluation of its program to determine the number of individuals reached.*
- *Evaluation of its program to determine the percent of individuals reached within each stakeholders group.*
- *Evaluation of its program to determine the understanding of stakeholders.*

Response:

FNG fully plans to complete the above referenced actions during this calendar year (2011), and will start the process in September. I will keep you or your office informed of our actions and results of our studies. Our office has already begun talks on how to best implement the course of action.

2. CPF 5-2011-0010M

2.1.1 *As indicated by PHMSA, FNG's program did not list areas of where gas is not odorized or the temperature at which the liquid natural gas (LNG) is stored at or the temperature during trucking.*

Response:

In Part 2. Affected Facilities (Page 3) of FNG's revised Public Awareness Program (PAP), FNG has expended to include the required information, noting where gas is not odorized and where cryogenic temperatures exist.

2.1.2 *As indicated by PHMSA, 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.*

Response:

FNG has updated its Public Awareness message content to include where the gas is not odorized, where it is odorized, and the temperature the LNG is stored and transported at. Letters, pamphlets, bill stuffers, newspaper and radio ads have been updated with appropriate information pertinent to individual stakeholder groups. Examples are available upon request.

Part 4. Message Type, Content and Frequency of FNG's program also indicates where the Message Type has been included.

- 2.2.1 ✓ *As indicated by PHMSA, FNG's did not send information to property owners to make them aware of 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.*

Response:

FNG has drafted a letter to correspond with property owners where FNG has private easements and will be mailing these out as indicated in the PAP.

FNG has sent letters and bill stuffers to emergency officials, local public officials and excavators this year and in the past, however they may not have had all the required information and they have not reached all the stakeholder groups. Letters and other mail out information have been updated with appropriate information. Mailing lists have or will be updated for all the FNG affected facilities (LNG storage/liquefaction/trucking, transmission, and distribution). Examples of these are available upon request.

Part 4. Message Type, Content and Frequency of FNG's program also indicates where the Message Type has been included.

- 2.3.1 ✓ *As indicated by PHMSA, FNG's program does not include information on the hazards associated with non-odorized LNG. FNG's program must included information on the possible hazards of releases of non-odorized LNG.*

Response:

As indicated an earlier response, FNG's message content has been updated for appropriate stakeholder groups that includes information about un-odorized gas and LNG vapors. Examples are available upon request.

Part 4. Message Type, Content and Frequency of FNG's program also indicates where the Message Type has been included. See information under heading Transmission Line and LNG Facilities - Message Type.

- 2.4.1 *As indicated by PHMSA, 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:

FNG has discussed and planned a course of action to perform and then document their annual program evaluation.

Part 4. Message Type, Content and Frequency of FNG's program also indicates where the Message Type has been included.

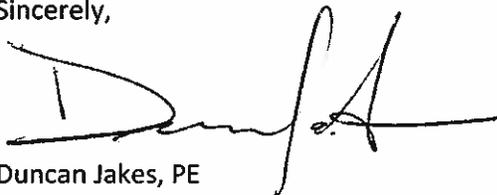
3. Additional Items

As part of program review with Bill Flanders, he wanted some additional items listed or clarified in the Program. Those items are listed below.

- 3.1 ✓ Initial date of Program. Date was June of 2006 and is now listed on Program title sheet.
- 3.2 ✓ Management participation. Information regarding management participation is detailed on Page 2 Management Statement of Support, along with signature of President/CEO.
- 3.3 ✓ English language. The Program now lists English as the only language for message material.
- 3.4 ✓ Measuring effectiveness time interval. Evaluation of the Program effectiveness and continuous improvement will be measured and evaluated at least once every four years, as detailed in Section 8 of program.

Once again, thank you for your cooperation and support in your review of our Company policies, procedures and effectiveness. If you have any more questions regarding our Public Awareness Program, or require additional information, please contact me at (907) 452-7111 or by email at duncanj@fngas.com.

Sincerely,



Duncan Jakes, PE
Operations Manager/Engineer

Cc: File
Bill Flanders, PHMSA

Att: Revised FNG Public Awareness Program



FAIRBANKS NATURAL GAS, LLC

Fairbanks Natural Gas Public Awareness Program

**Program references: API RP 1162, 2003
49 CFR PART 193.616**

**Developed by:
Duncan Jakes, Operations Manager/Engineer**

**Effective date:
June, 2006**

**Revisions:
February, 2011
July, 2011**

PUBLIC AWARENESS PROGRAM OBJECTIVES

The objectives of this Public Awareness Program are:

- To educate both customers and non-customers who live or work near distribution systems on how to recognize the odor of natural gas and how to respond if they detect possible gas odors. Early recognition of a gas odor and proper response can save lives.
- To raise the awareness of the affected public and key stakeholders of the presence of buried distribution system and transmission pipelines in the communities they live and work in. A more informed public will also understand that they have a significant role in helping to prevent third-party damage accidents.
- To raise the awareness of the affected public and key stakeholders of the presence, characteristics and hazards of LNG that is produced and stored at FNG facilities.
- To help excavators understand the steps they can take to prevent third party damage and respond properly if they cause damage to distribution system pipelines.
- To help emergency response agencies that may assist Fairbanks Natural Gas in an emergency understand the proper actions to take in response to a gas release or emergency.
- To educate the public about the protection of gas meters from damage.

Management Statement of Support

Our goal is to provide safe, reliable gas service to our customers and ensure the safety of people living and/or working near our gas pipelines. Public awareness is a critical component of our overall safety program. Every employee at FNG must be committed to fulfilling our public awareness responsibilities as described in this Public Awareness Program.



Daniel Britton
President and CEO

1. Program Administration

Operations Engineer is named the Program Administrator and is responsible for the overall conduct of this Public Awareness Program.

The Program Administrator is responsible to ensure that:

- Target audiences are identified;
- Message(s) appropriate to each audience are identified;
- Appropriate media are selected to transmit each message to each audience;
- Appropriate message delivery frequencies are identified for each message and audience;
- Messages are delivered as specified in the program;
- The effectiveness of the program is periodically evaluated; and
- The program is modified to reflect the findings of the effectiveness evaluation.

In addition, the Program Administrator is responsible for the following duties and aspects of the Public Awareness Program:

- Responsible to periodically review the performance of the Public Awareness Program and the individuals responsible for its implementation.
- Funding and resource allocation requests for the Program will be established at the level necessary to implement the Program.
- Responsible for preparing public education materials and placing ads in television, radio and newspapers.
- Responsible for coordinating our public awareness efforts with those of the **Alaska Digline**.

2. Affected Facilities

All of **FNGs** distribution and transmission gas pipeline facilities and LNG facilities are included in this Public Awareness Program.

1. Fairbanks area distribution system (odorized gas)
2. FNG transmission line - Ayrshire Rd, Pt MacKenzie (un-odorized gas)
3. LNG Plant #1 - Ayrshire Rd, Pt MacKenzie
 - a. High pressure natural gas
 - i. Un-odorized
 - b. Liquefied natural gas (LNG)
 - i. Cryogenic (-240°F)
 - ii. Un-odorized
 - c. Miscellaneous liquids
 - i. Refrigerants - Ethylene and propane
 - ii. Amine glycols

- iii. Large engine oils
- 4. LNG Storage and Vaporization Facility #1 - Donald Avenue, Fairbanks
 - a. Liquefied natural gas (LNG)
 - i. Cryogenic (-240°F)
 - ii. Un-odorized
- 5. LNG Storage and Vaporization Facility #2 - Tria Road, Fairbanks
 - a. Liquefied natural gas (LNG)
 - i. Cryogenic (-240°F)
 - ii. Un-odorized

3. Stakeholder Audiences

The following stakeholder audiences have been identified:

1. Affected Public In Areas Where We Operate
 - A. Our customers
 - B. Individuals living and working near our pipelines
 - C. Places of congregation such as businesses, schools, hospitals, prisons etc, near our pipelines.
2. Emergency Officials In Areas Where We Operate
 - A. Fire departments
 - B. Law enforcement agencies
 - C. Emergency and hazardous materials response departments
3. Public Officials In Areas Where We Operate (City/Borough)
 - A. City and Borough Engineering and Public Works
 - B. City and Borough Mayors
 - C. State House Representatives
 - D. Building Department
4. Excavators in areas where we operate
 - A. Construction/excavation companies
 - B. Utility (sanitary/electrical/communication) and contractors
 - C. Public Works officials
 - D. Public street, road and highway departments (maintenance and construction)
 - E. Fence-building companies
 - F. Outdoor advertising
 - G. Landscapers
 - H. Well Drillers
 - I. Alaska Digline

The list of the Stakeholder audience will be generated and maintained by or under the supervision of the **Operations Engineer**.

- FNG Customer list will be maintained by Accounting.

- The list of emergency response and local public officials will be obtained by contacting the local agencies in the affected area..
- The names, addresses and telephone numbers of excavators will be obtained through a review of the "Yellow Pages" and/or the internet for each type of excavator listed above, except that Public Works, street, road and highway departments will be identified by contacting city and/or county government agencies.
- Non-customer individuals living or working near FNG pipelines will be reached via newspaper or radio. A maintained list of addresses is not necessary.
- Owners of easements containing gas pipelines will be obtained by FNG easement records.
- Stakeholders within 1000 feet of LNG facilities will be obtained by a map and address book.
- Stakeholders within 660 feet of gas transmission line will be obtained by a map and address book.

4. Message Type, Content and Frequency

The following message type and content will be sent to each stakeholder audience via the media listed at the frequency indicated:

TRANSMISSION LINE AND LNG FACILITIES

Stakeholder Audience	Message Type	Frequency	Delivery Method and/or Media
AFFECTED PUBLIC			
Individuals living and working near transmission line (660 feet either side of line) and those adjacent to LNG facilities (within 1000 feet)	Baseline Messages: <ul style="list-style-type: none"> - Facility purpose and reliability - Awareness of hazards (including un-odorized gas and cryogenic temperatures) and prevention measures undertaken - Damage prevention awareness - Leak recognition and response - How to get additional information - Facility location and information - Alaska Digline requirements - Evacuation procedure 	Baseline Frequency: Bi-annual Supplemental Frequency: Additional frequency and supplemental efforts as determined by specifics of the pipeline segment or environment	Baseline Activity: <ul style="list-style-type: none"> - Targeted distribution of printed material Supplemental Activity: <ul style="list-style-type: none"> - Personal contact - Phone calls
EMERGENCY OFFICIALS			
	Baseline Message: <ul style="list-style-type: none"> - Systems purpose and reliability - Awareness of hazards (including un-odorized gas and cryogenic temperatures) and prevention measures undertaken - Emergency preparedness communications - High pipeline pressure and LNG product hazards - System location information and availability of NPMS - How to get additional information 	Baseline Frequency: Annual Supplemental Frequency: Additional frequency and supplemental efforts as determined by specifics of the pipeline segment or environment	Baseline Activity: <ul style="list-style-type: none"> - Personal contact - Telephone calls - Email - Print materials - Group meetings Supplemental Activity: <ul style="list-style-type: none"> -

LOCAL PUBLIC OFFICIALS			
	Baseline Message: - Systems purpose and reliability - Awareness of hazards (including un-odorized gas and cryogenic temperatures) and prevention measures undertaken - Emergency preparedness communications - Alaska Digline requirements - System location information and availability of NPMS - How to get additional information	Baseline Frequency: Three (3) Years Supplemental Frequency: Additional frequency and supplemental efforts as determined by specifics of the pipeline segment or environment	Baseline Activity: - Targeted distribution of print material - Email - or - Group meetings Supplemental Activity: - Telephone calls - Personal contact
EXCAVATORS			
Excavators/Contractors - NA as there is little to no chance of excavation activity within ROW	Baseline Messages: - Company name and phone number	Baseline Frequency: - Annual update	Baseline Activity: - Pipeline markers - Alaska Digline
Alaska Digline	- Transmission line location	- Annual update	- Membership with Alaska Digline

DISTRIBUTION SYSTEM

Stakeholder Audience	Message Type	Frequency	Delivery Method and/or Media
AFFECTED PUBLIC			
Individuals living and working near along FNG distribution systems Places of congregation FNG Customers Owners of gas easements or PUE with gas mains	Baseline Messages: - Pipeline purpose and reliability - Awareness of hazards and prevention measures undertaken - Damage prevention awareness - Leak recognition and response - How to get additional information - Facility location and information - Alaska Digline requirements - LNG Liquefaction and Storage locations and product hazards	Baseline Frequency: Annual Twice Annually (FNG Customers) Supplemental Frequency: Additional frequency and supplemental efforts as determined by specifics of the pipeline segment or environment	Baseline Activity: - Public Service Announcements - Website information - Bill Stuffer (FNG customers) - Door hangers - Newspaper Supplemental Activity: - Paid Advertisements - Community events
EMERGENCY OFFICIALS			
	Baseline Message: - Pipeline purpose and reliability - Awareness of hazards and prevention measures	Baseline Frequency: Annual Supplemental Frequency:	Baseline Activity: - Print materials - Personal contact - Email

	<ul style="list-style-type: none"> undertaken - Emergency preparedness communications - How to get additional information 	Additional frequency and supplemental efforts as determined by specifics of the pipeline segment or environment	Supplemental Activity: <ul style="list-style-type: none"> - Telephone calls
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LOCAL PUBLIC OFFICIALS			
	Baseline Message: <ul style="list-style-type: none"> - Pipeline purpose and reliability - Awareness of hazards and prevention measures undertaken - Emergency preparedness communications - How to get additional information 	Baseline Frequency: Three (3) Years Supplemental Frequency: Additional frequency and supplemental efforts as determined by specifics of the pipeline segment or environment	Baseline Activity: <ul style="list-style-type: none"> - Targeted distribution of print material Supplemental Activity: <ul style="list-style-type: none"> - Group meetings - Telephone calls - email - Personal contact
EXCAVATORS			
Excavators/Contractors	Baseline Messages: <ul style="list-style-type: none"> - Pipelines Purpose and Reliability - Awareness of hazards and prevention measures undertaken - Damage prevention awareness - Leak recognition and response - How to get additional information - Alaska Digline requirements 	Baseline Frequency: Annual Supplemental Frequency: Additional frequency and supplemental efforts as determined by specifics of the pipeline segment or environment	Baseline Activity: <ul style="list-style-type: none"> - Targeted distribution of print material - Field personnel - Pipeline markers Supplemental Activity: <ul style="list-style-type: none"> - Personal contact - Group meetings - Association meetings
Alaska Digline	- Per Alaska Digline requirements	Annual update	<ul style="list-style-type: none"> - Membership - Maps

5. Development of Program Materials

The Program Administrator is responsible for ensuring that appropriate materials are developed and/or acquired for each communications activity listed above. Materials should be pre-tested for clarity, understandability and retain-ability before they are widely used. The pretest should be performed using a small representative audience, for example, a small sample group of FNG employees and/or families that are not involved in developing the public awareness program, a small sample section of the intended stakeholder audience or others. Lists, records or other documentation of stakeholder audiences with whom FNG has communicated must be kept as specified in Section 9 of this Program.

The suggested media to be used for contact will be bill stuffers, local newspaper advertising, letters, community events, emails website and radio ads. If materials are purchased from third parties, the

Program Administrator should obtain information on the vendor's pretests or else conduct a pretest as described above if the vendor's pretest is not available or deemed insufficient.

6. Program Implementation

The Program Administrator is responsible to ensure that each target audience identified above receives the appropriate materials via the specified media (e.g. mass mailings, emergency official meetings) at the frequency specified in the preceding table. Records of these follow-up actions must be kept as specified in Section 9 of this Program. The Program Administrator should prepare an annual estimate of the resources required to implement the Program and request that the appropriate budget and human resources are available.

The Program shall be reviewed on an annual basis and updated as necessary to reflect stakeholder feedback, effectiveness evaluations, regulatory requirements or changes in operating status.

7. Management of Input/Feedback/Comments Received

It is anticipated that the implementation of this public awareness program will generate requests for further information from those in the stakeholder audiences contacted. All inquiries should be directed to the Program Administrator.

Inquiries about the location of pipelines should be directed to the Digline system:

Alaska Digline at 811 or on their website at akonecall.com

Records of inquiries received as a result of public awareness efforts should be prepared and submitted to the Program Administrator for use in assessing the effectiveness of this Program (see Section 8).

8. Measuring the Effectiveness of This Program

The Program Administrator is responsible to periodically measure:

- Whether the information is reaching the intended stakeholder audiences;
- If the recipient audiences are understanding the messages delivered;
- Whether the recipients are motivated to act in accordance with the information provided;
- If the implementation of the public awareness program is impacting bottom line results (such as reduction in the number of incidents caused by third party damage).

This will include, at minimum:

- Tracking the number of calls received in response to materials;

- Reviewing the incidence of third party damage to FNG facilities *[all damage events, not just reportable incidents]*;
- Reviews following meetings with stakeholders (e.g. meetings with public officials, emergency responders, etc.);
- Contacting a random sample of each stakeholder audience, confirming their receipt of the materials and assessing their understanding of the target message(s) (through direct mail and/or telephone surveys).

If the results of these evaluations indicate that one or more target audience is not effectively receiving one or more of the target messages, the Program Administrator should review the message type, content, and delivery method to determine if more effective means of communications are available. Records of these effectiveness assessments and follow-up actions must be kept as specified in Section 9 of this Program.

Each individual education event will be measured for effectiveness and this information will be provided to each participating sponsoring company. The overall program will be evaluated every **four (4) years** to ensure the program itself is effective and meeting the required elements properly. The overall program evaluation will consist of an initial baseline measurement of awareness of the designated target groups in a designated service area. It will also include periodic evaluations and a final evaluation to determine the effectiveness of the overall program.

9. Records

The Program Administrator shall maintain the following records:

- Lists, records or other documentation of stakeholder audiences with whom FNG has communicated;
- Copies of all materials provided to each stakeholder audience; and
- Results of pre-tests and effectiveness assessments, including follow-up actions and expected results.

These records shall be maintained for five (5) years.