

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

August 19, 2016

Mr. Daniel W. Britton
President and CEO
Fairbanks Natural Gas, LLC
3408 International Way
Fairbanks, Alaska 99701

CPF 5-2016-3003M

Dear Mr. Britton:

On April 18-20 and June 6-10, 2016, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected Fairbanks Natural Gas, LLC's (FNG) Standard Operating Procedures (SOPs) for their LNG facilities in Fairbanks, Alaska.

On the basis of the inspection, PHMSA identified the apparent inadequacy within FNG's plans or procedures, as described below:

- 1. §193.2801 Fire protection.**
Each operator must provide and maintain fire protection at LNG plants according to sections 9.1 through 9.7 and section 9.9 of NFPA-59A-2001 (incorporated by reference, see §193.2013). However, LNG plants existing on March 31, 2000, need not comply with provisions on emergency shutdown systems, water delivery systems, detection systems, and personnel qualification and training until September 12, 2005.

[NFPA 59A 2001 Section 9.9.1 Manual emergency depressurizing means shall be provided where necessary for safety. Portions of the plant that can be isolated from storage tanks or other sources of supply can be depressurized by venting to the atmosphere. The discharge shall be directed so as to minimize exposure to personnel or equipment.]

FNG's procedure that covered the process for depressurizing a plant or venting LNG in the event of an emergency was not in accordance with NFPA 59A, Section 9.9.1., which was incorporated by reference into 49 CFR 193. In particular, SOP 6101 General Description of LNG Storage Facilities p.2 #3(Rev 9 ED 4/15/16) notes that "... each tank has a blowdown valve that allows a manual release of pressure." However, SOP 6101 lacks the other requirements of NFPA 59A 2001 Section 9.9.1 with respect to storage isolation, atmospheric venting, and minimizing personnel exposure to discharge.

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 forty-five (45) 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 FNG maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Chris Hoidal, Director, Western Region, Pipeline and

Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 5-2016-3003M** 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

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

cc: PHP-60 Compliance Registry
PHP-500 Jennifer Owens (#152965)