

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

August 30, 2017

Mr. Daniel W. Britton
President / CEO
Titan Alaska LNG
3408 International Street
Fairbanks, AK 99701

CPF 5-2017-3003W

Dear Mr. Britton:

On March 13 through 16, 2017, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected Titan Alaska LNG's (Titan) records and procedures at the LNG facility near Point MacKenzie, Alaska.

As a result of the inspection, it is alleged that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The items inspected and the probable violation is:

- 1. §193.2637 Remedial measures.**
Prompt corrective or remedial action must be taken whenever an operator learns by inspection or otherwise that atmospheric, external, or internal corrosion is not controlled as required by this subpart.

Coffman Engineering recommended in reports dated 2015 and 2016 that pipeline supports and pipeline isolation be installed to prevent corrosion of the carrier pipe. The pipeline rests on support members which are not isolated with a dielectric pad, this has caused external corrosion at several locations on the underside of the pipeline, at the 6 o'clock

position. Coffman Engineering made note of this during their audits, but Titan, has yet to remedy. Additionally, no record of the repair was made available at the time of the inspection.

As of April 27, 2017, under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$209,002 per violation per day the violation persists up to a maximum of \$2,090,022 for a related series of violations. Also, for LNG facilities, an additional penalty of not more than \$76,352 for each violation may be imposed. 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 item identified in this letter. Failure to do so will result in Titan Alaska LNG 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 5-2017-3003W**. 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,

Kim West
Acting Director, Western Region
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry
PHP-500 R. Guisinger (#155012)