

VIA ELECTRONIC MAIL TO: esudduth@interiorgas.com

March 21, 2025

Elena Sudduth
General Manager
Interior Gas Utility
2525 Phillips Field Road
Fairbanks, Alaska 99709

CPF 4-2023-006-NOPV

Dear Ms. Sudduth:

On May 8, 2023, the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code (U.S.C.), issued of Probable Violation, Proposed Civil Penalty, and Proposed Compliance Order (Notice) to Interior Gas Utility (IGU). The Notice alleged that IGU experienced a rupture of its 8-inch natural gas distribution main at 2942 Tria Road in Fairbanks, Alaska, on November 21, 2021. The rupture occurred after cold natural gas vapors from LNG SS3 entered the downstream gas distribution system, and released 559 mcf of natural gas and caused a shutdown of IGU's LNG facility.

On February 1, 2024, PHMSA issued a Consent Order (Order) that incorporated a Consent Agreement between the parties that resolved the Notice. The Consent Agreement included a reduced Civil Penalty and Compliance Order. On February 14, 2024, IGU paid the reduced civil penalty in full. On June 19, 2024, IGU provided documentation verifying it had hired an adequate number of personnel and updated its training program. IGU presented the resulting report from the third-party review of its equipment design and associated procedures on July 19, 2024, along with its plan to implement the subsequent recommendations. IGU submitted a status update of the implementation plan on December 18, 2024. On December 19, 2024, IGU provided documentation showing that existing and new personnel had completed the revised training program.

PHMSA has reviewed the responses provided to demonstrate compliance with the Order and determined that IGU has satisfied the Compliance Order. Accordingly, this case is now closed and no further action is contemplated with respect to the matters involved in this case. Thank you for your cooperation in this matter.

Sincerely,

Bryan Lethcoe
Director, Southwest Region, Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration

cc: Zane D. Wilson, Counsel for IGU, CSG, Inc., zane@alaskalaw.com