



U.S. Department of Transportation
**Pipeline and Hazardous Materials
Safety Administration**

8701 S. Gessner, Suite 630
Houston TX 77074

NOTICE OF AMENDMENT

VIA ELECTRONIC MAIL TO: esudduth@interiorgas.com

August 28, 2024

Elena Sudduth
General Manager
Interior Gas Utility
2525 Phillips Field Road
Fairbanks, AK 99709-3942

CPF 4-2024-006-NOA

Dear Ms. Sudduth:

From July 31 to August 4 and from August 7-8, 2023 of the on-site inspection, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected Interior Gas Utility's (IGU) procedures for the operation and maintenance of LNG Storage Site 1 in Fairbanks, Alaska.

As a result of the inspection, PHMSA has identified the apparent inadequacy found within IGU's plans or procedures. The item inspected and the inadequacy is described below:

1. § 193.2605 Maintenance procedures.

(a)

(c) Each operator shall include in the manual required by paragraph (b) of this section instructions enabling personnel who perform operation and maintenance activities to recognize conditions that potentially may be safety-related conditions that are subject to the reporting requirements of § 191.23 of this subchapter.

IGU's written procedures for conducting operations and maintenance activities were inadequate to assure safe operation of a pipeline facility in accordance with § 193.2605(c). Specifically, neither IGU's *Maintenance Activities – General, SOP S1-7001, (Rev. 014; June 12, 2023)* nor *Reporting, SOP G-1005, (Rev. 002; January 13, 2023)* provided instructions enabling personnel who perform operation and maintenance activities to recognize conditions that potentially may be safety-related conditions that are subject to the reporting requirements of § 191.23. *SOP S1-7001* includes a reference to *SOP G-1005* in item 2 in its "Maintenance Activities" section. *SOP G-1005* copies the regulatory text from § 191.23 in its "Definition of a Safety-Related Condition

(SRC)” section. Neither *SOP SI-7001* nor *SOP G-1005* include instructions to assist personnel who perform operation and maintenance activities in recognizing conditions that potentially may be safety-related conditions that are subject to the reporting requirements of § 191.23.

IGU must expand beyond the plain text of the regulation with operator- and facility-specific instructions/procedures to assist personnel who perform operation and maintenance activities in recognizing conditions that potentially may be safety-related conditions that are subject to the reporting requirements of § 191.23.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.206. Enclosed as part of this Notice is a document entitled Response Options for Pipeline Operators in Enforcement 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).

Following the receipt of this Notice, you have 30 days to submit written comments, revised procedures, or a request for a hearing under § 190.211. 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 an Order Directing Amendment. If 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. § 190.206). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within **60** 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 Interior Gas Utility maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Bryan Lethcoe, Director, Southwest Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 4-2024-006-NOA** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

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

Enclosure: Response Options for Pipeline Operators in Enforcement Proceedings

cc: Jim Rasmussen, Operations Engineer, jrasmussen@interiorgas.com