

**JUL 14 2010**

Mr. Leroy H. Frank  
Vice President of Operations  
Norgasco, Inc.  
4341 B Street, Suite 306  
Anchorage, AK 99503

**Re: CPF No. 5-2009-0021**

Dear Mr. Frank:

Enclosed please find the Final Order issued in the above-referenced case. It makes a finding of violation and finds that Norgasco, Inc. has completed the actions specified in the Notice to comply with the pipeline safety regulations. Therefore, this case is now closed. Service of the Final Order by certified mail is deemed effective upon the date of mailing, or as otherwise provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Jeffrey D. Wiese  
Associate Administrator  
for Pipeline Safety

Enclosure

cc: Mr. Chris Hoidal, Director, Western Region, PHMSA  
Mr. Dennis Hinnah, Deputy Director, Western Region, PHMSA

**CERTIFIED MAIL – RETURN RECEIPT REQUESTED[7005 1160 0001 0039 0690]**

**U.S. DEPARTMENT OF TRANSPORTATION  
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION  
OFFICE OF PIPELINE SAFETY  
WASHINGTON, D.C. 20590**

In the Matter of	)	
	)	
Norgasco, Inc.,	)	<b>CPF No. 5-2009-0021</b>
	)	
Respondent.	)	
	)	

**FINAL ORDER**

On April 22, 2009, pursuant to 49 U.S.C. § 60117, a representative of the Pipeline and Hazardous Materials Safety Administration, Office of Pipeline Safety (OPS) conducted an on-site pipeline safety inspection of the facilities and records of Norgasco, Inc. (hereinafter “Norgasco” or “Respondent”) in Anchorage, Alaska. Norgasco operates a natural gas distribution system serving approximately 55 customers in Prudhoe Bay, Alaska. The inspection included a review of Norgasco’s Operator Qualification (OQ) Manual and Program.

As a result of the inspection, the Director, Western Region, OPS (Director), issued to Respondent, by letter dated September 9, 2009, a Notice of Probable Violation and Proposed Compliance Order (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Respondent had violated 49 C.F.R. § 192.805.

Norgasco responded to the Notice by letter dated September 24, 2009 (Response). Norgasco did not contest the allegations of violation, but provided information concerning the corrective actions it has taken. Norgasco did not request a hearing and therefore has waived its right to one.

**FINDING OF VIOLATION**

In its Response, Norgasco did not contest the allegation in the Notice that it violated 49 C.F.R. Part 192, as follows:

**Item 1:** The Notice alleged that Respondent violated 49 C.F.R. § 192.805, which states:

**§ 192.805 Qualification program.**

Each operator shall have and follow a written qualification program. The program shall include provisions to:

- (a) Identify covered tasks;
- (b) Ensure thorough evaluation that individuals performing covered tasks are qualified;
- (c) Allow individuals that are not qualified pursuant to this subpart to perform a covered task if directed and observed by an individual that is qualified;
- (d) Evaluate an individual if the operator has reason to believe that the individual's performance of a covered task contributed to an incident as defined in Part 191;
- (e) Evaluate an individual if the operator has reason to believe that the individual is no longer qualified to perform a covered task;
- (f) Communicate changes that affect covered tasks to individuals performing those covered tasks; and
- (g) Identify those covered tasks and the intervals at which evaluation of the individual's qualifications is needed.

The Notice alleged that Norgasco violated § 192.805 by failing to have an adequate written OQ program. Specifically, it alleged that Norgasco's OQ program failed to: (1) include a complete list of covered tasks; (2) address contract personnel performing covered tasks; (3) address non-qualified individuals performing covered tasks under the direction and observation of qualified individuals; (4) address how the operator's personnel would be trained; (5) address qualification records; (6) address how changes in covered tasks would be communicated to individuals performing them; and (7) address the notification of PHMSA about significant changes to the OQ plan. Respondent did not contest this allegation of violation. Accordingly, based upon a review of all the evidence, I find that Norgasco violated 49 C.F.R. § 192.805 by failing to have an adequate written OQ program.

**COMPLIANCE ORDER**

The Notice proposed a compliance order with respect to Item 1 in the Notice for a violation of § 192.805. Under 49 U.S.C. § 60118(a), each person who engages in the transportation of hazardous liquids or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under chapter 601. The Director has indicated that Respondent has taken the following actions specified in the proposed compliance order:

- With respect to Item 1, Norgasco has updated its written OQ procedures by:
- (1) including a complete list of the covered tasks; (2) addressing contract personnel performing covered tasks; (3) addressing non-qualified individuals performing covered tasks while being directed and observed by a qualified individual; (4) addressing training for operator's personnel to recognize and react to abnormal operating conditions; (5) addressing qualification records; (6) addressing how changes in covered tasks would be communicated to individuals performing them; and (7) addressing the notification to

PHMSA about significant changes to the OQ plan. Norgasco submitted an updated copy of its OQ manual that reflects these changes.

Accordingly, I find that compliance has been achieved with respect to this violation. Therefore, the compliance terms proposed in the Notice are not included in this Order.

The terms and conditions of this Final Order are effective upon receipt.

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Jeffrey D. Wiese  
Associate Administrator  
for Pipeline Safety

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Date Issued