

## NOTICE OF AMENDMENT

**VIA FED EX TRACKING # - 7784 0116 8389**

February 10, 2017

Mr. Richard Cathriner  
President  
Norgasco, Inc.  
4341 B Street, Suite 306  
Anchorage, AK 99503

**CPF 5-2017-0001M**

Dear Mr. Cathriner:

On November 8-9, 2016, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected your Norgasco Deadhorse Gas Distribution system facilities located in Deadhorse, Alaska. Supporting operation and maintenance procedures, and implementation records were reviewed on August 15-17, 2016 at your Anchorage office.

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

1. **§192.605 Procedural manual for operations, maintenance, and emergencies.**
  - (b) **Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.**
    - (1) **Operating, maintaining, and repairing the pipeline in accordance with each of the requirements of this subpart and subpart M of this part.**

While reviewing Norgasco 's documentation for the annual inspection of distribution valves, it became evident that the valve maintenance procedures were not adequate to comply with 192.605(b)(1). Maintenance and operation procedures to ensure proper maintenance of distribution valves are required by Subpart M, §192.747. Procedures must ensure the valves are properly maintained so they can be safely operated. Any required inspection and maintenance tasks defined by these revised procedures must be recorded per 192.603(b).

**2. §192.805(b) Qualification program.**

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

**(a) Identify covered tasks;**

**(b) Ensure through evaluation that individuals performing covered tasks are qualified;**

During the corrosion control records review, it became evident that the wax tape coating application was not currently a covered task in Norgasco's Operator Qualification (OQ) procedure as required by 192.805. Coating application meets the requirements of a covered task and should be included in your OQ procedures.

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 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).

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 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 Norgasco 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 5-2017-0001M** 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 M. Chard (#153457)