



U.S. Department
of Transportation

Pipeline and Hazardous Materials
Safety Administration

12300 W. Dakota Ave., Suite 110
Lakewood, CO 80228

WARNING LETTER

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 5-2017-0003W

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.

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

1. §192.807(a) Record keeping.

Each operator shall maintain records that demonstrate compliance with this subpart.

(a) Qualification records shall include:

(1) Identification of qualified individual(s);

(2) Identification of the covered tasks the individual is qualified to perform;

(3) Date(s) of current qualification; and

(4) Qualification method(s).

(b) Records supporting an individual's current qualification shall be maintained while the individual is performing the covered task. Records of prior qualification and records of individuals no longer performing covered tasks shall be retained for a period of five years.

At the time of the inspection, the task of installing wax tape protective coating was not part of the operator's OQ program. Norgasco's onsite employees had been installing wax tape coatings in accordance with the manufacturer's guidance; however, the task was not properly identified and recorded as an Operator Qualification standard according 192.807(a). With regard to industry best practices for pressure piping, ASME Code B31Q identifies the records requirements for training, evaluation, and qualification for any of the operator's employees performing covered tasks. Said covered tasks are defined by 49 CFR 192.801(b).

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$205,638 per violation per day the violation persists up to a maximum of \$2,056,380 for a related series of violations. For violations occurring between January 4, 2012 and August 1, 2016, the maximum penalty may not exceed \$200,000 per violation per day, with a maximum penalty not to exceed \$2,000,000 for a related series of violations. 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 Norgasco 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 5-2017-0003W**. 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,



Chris Hoidal

Director, Western Region

Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry
PHP-500 M. Chard (#153457)