

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

February 24, 2015

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

CPF 5-2015-0001W

Dear Mr. Cathriner:

On November 13, 2014, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected your Public Awareness Plan and procedures for Operations and Maintenance in Anchorage, Alaska.

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

1. 192.616(h) Public awareness.

(h) Operators in existence on June 20, 2005, must have completed their written programs no later than June 20, 2006. The operator of a master meter or petroleum gas system covered under paragraph (j) of this section must complete development of its written procedure by June 13, 2008. Upon request, operators must submit their completed programs to PHMSA or, in the case of an intrastate pipeline facility operator, the appropriate State agency.

A written Public Awareness Plan was not completed until July 2011, which is five years after the regulatory deadline for completion of a written program.

2. 192.616(d) Public awareness.

(d) The operator's program must specifically include provisions to educate the public, appropriate government organizations, and persons engaged in excavation related activities on:

- (1) Use of a one-call notification system prior to excavation and other damage prevention activities;**
- (2) Possible hazards associated with unintended releases from a gas pipeline facility;**
- (3) Physical indications that such a release may have occurred;**
- (4) Steps that should be taken for public safety in the event of a gas pipeline release; and**
- (5) Procedures for reporting such an event.**

The Public Awareness message on Norgasco's web site was missing key educational information that was contained in Norgasco's printed Public Awareness Message. Specifically, the web site lacked the information on the proper steps the public should take in the event of a gas pipeline release.

3. 192.475(b) Internal corrosion control: General.

(b) Whenever any pipe is removed from a pipeline for any reason, the internal surface must be inspected for evidence of corrosion. If internal corrosion is found—

- (1) The adjacent pipe must be investigated to determine the extent of internal corrosion;**
- (2) Replacement must be made to the extent required by the applicable paragraphs of §§ 192.485, 192.487, or 192.489; and**
- (3) Steps must be taken to minimize the internal corrosion.**

Norgasco was unable to provide any records of examination for the pipe that was removed due to internal corrosion. Norgasco had replaced certain sections of steel pipe that failed due to frost heave. Norgasco has no record of inspecting these removed sections of pipe.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$200,000 per violation per day the violation persists up to a maximum of \$2,000,000 for a related series of violations. For violations occurring prior to January 4, 2012, the maximum penalty may not exceed \$100,000 per violation per day, with a maximum penalty not to exceed \$1,000,000 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 items 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 5-2015-0001W** and for each document you submit, please provide a copy in electronic format to PHP-WRADMIN@dot.gov whenever possible. 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 D. Hassell

Activity 146206