

NOTICE OF AMENDMENT

CERTIFIED MAIL: RETURN RECEIPT REQUESTED

March 7, 1997

Mr. Leroy Frank, Director of Operations
Norgasco, Inc.
2522 Arctic Boulevard, Suite 100
Anchorage, Alaska 99503

CPF No. 57002-M

Dear Mr. Frank:

On November 25 and 26, 1996, a representative of the Western Region, Office of Pipeline Safety, pursuant to Chapter 601 of 49 United States Code, conducted an on-site pipeline safety inspection of your pipeline facilities and records in Deadhorse, Alaska.

As a result of the inspection, it appears that you have committed probable violations, as noted below, of Pipeline Safety Regulations Title 49, Code of Federal Regulations, Part 192. The items inspected and probable violations are:

- 1. §192.16(b) requires the operator to notify each customer once in writing of the following information:**
 - (1) The operator does not maintain the customer's buried piping,**
 - (2) If the customer's buried piping is not maintained, it may be subject to the potential hazards of corrosion and leakage,**
 - (3) Buried gas piping should be --(I) Periodically inspected for leaks; (ii) Periodically inspected for corrosion if the piping is metallic; and (iii) Repaired if any unsafe condition is discovered,**
 - (4) When excavating near buried gas piping, the piping should be located in advance, and the excavation done by hand,**
 - (5) The operator (if applicable), plumbers, and heating contractors, can assist in locating, inspecting, and repairing the customer's buried piping.**

Norgasco does not convey all the information required by 49 C.F.R. §192.16, Customer notification. Norgasco's existing Contract for Installation and Service of Gas Line states, "Buyer is responsible for installation and maintenance of gas piping, gas appliances, heaters, and gas operated devices downstream of the Company's meter." This language must be expanded to ensure that your customers are notified of all required information regarding buried piping not maintained by Norgasco.

- 2. §192.615(b)(2) requires each operator to train the appropriate personnel to assure that they are knowledgeable of the emergency procedures and verify that the training is effective.**

Norgasco does not include instructions on their emergency procedures in their Operations and Maintenance (O&M) Manual to train their operators and management. Chapter 2, Section H, Page 53 of the Norgasco O&M Manual requires that all employees have formal training in operation and maintenance, however, neither the procedures nor supporting documentation indicates that training is being conducted in the area of emergency procedures. Norgasco training procedures must be expanded to include this topic. Emergency procedure training is especially critical at this time, because several of Norgasco's O&M staff are recent hires.

- 3. §192.727 requires each operator that is abandoning or deactivating a pipeline in place to disconnect it from all sources of gas, purge the gas, and seal it at the ends.**

Norgasco does not have proper abandonment procedures. While Chapter 3, Section K of the Norgasco O&M manual does specify that the abandoned or deactivated pipelines are disconnected from the gas source and purged, the procedures do not include sealing of the open ends of the pipeline. Norgasco procedures must comply with all abandonment and deactivation procedures in §192.727, Abandonment and deactivation of facilities. Written records documenting proper deactivation or abandonment of all pipeline facilities must also be kept.

Regarding the deficiencies in your written procedures for operations, maintenance, and emergencies, the Office of Pipeline Safety is issuing you a Notice of Amendment requiring that your procedures be amended to comply with the requirements of the regulations referenced.

As provided in 49 C.F.R. §190.237, this notice serves as your notification that this office considers your procedures/plans inadequate. Under 49 C.F.R. § 190.237, you have a right to submit written comments or request an informal hearing. You must submit written comments or a request for a hearing within 30 days of receiving this notice. After reviewing the record, the Associate Administrator for Pipeline Safety will determine whether your plans or procedures are adequate. The criteria used in making this determination are outlined in 49 C.F.R. § 190.237. If you do not wish to contest this notice, please provide your revised procedures within 30 days of receiving this notice.

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When appropriate procedures have been prepared, submit them to the Director, Western Region, Office of Pipeline Safety, Research and Special Programs Administration, 12600 W. Colfax Avenue, Suite A-250, Lakewood, Colorado 80215-3736. Please refer to **CPF No. 57002-M** in any correspondence or communication pertaining to this matter.

Sincerely,

Edward J. Ondak
Director

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