



STATE OF WASHINGTON
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION
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CERTIFIED MAIL

July 19, 2012

Eric Martuscelli
Vice President-Operations
Cascade Natural Gas Corporation
8113 W. Grandridge Blvd
Kennewick, WA 99336

Dear Martuscelli:

RE: 2012 Natural Gas Standard Inspection – Cascade Natural Gas Corporation-Grays Harbor/Mason County

Staff from the Washington Utilities and Transportation Commission (staff) conducted a standard inspection from June 18-21, 2012 of Cascade Natural Gas Corporation (CNG), Grays Harbor/Mason County pipeline facilities. The inspection included a records review and inspection of the pipeline facilities.

Our inspection indicates four probable violations and two areas of concern as noted in the enclosed report.

Your response needed

Please review the attached report and respond in writing by August 21, 2012. The response should include how and when you plan to bring the probable violations into full compliance.

What happens after you respond to this letter?

The attached report presents staff's decision on probable violations and does not constitute a finding of violation by the commission at this time.

After you respond in writing to this letter, there are several possible actions the commission, in its discretion, may take with respect to this matter. For example, the commission may:

- Issue an administrative penalty under RCW 81.88.040, or
- Institute a complaint, seeking monetary penalties, changes in the company's practices, or other relief authorized by law, and justified by the circumstances, or



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- Consider the matter resolved without further commission action.

If you have any questions or if we may be of any assistance, please contact Dave Cullom at (360) 664-1141. Please refer to the subject matter described above in any future correspondence pertaining to this inspection.

Sincerely,



David D. Lykken
Pipeline Safety Director

Enclosure

cc: Steve Kessie, Manager-Operations Services, Cascade Natural Gas Corporation

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION
2012 Natural Gas Pipeline Safety Inspection
Cascade Natural Gas – Grays Harbor/Mason County

The following probable violations and areas of concern of WAC 480-93 and Title 49, CFR Part 192 were noted as a result of the 2012 inspection of the Cascade Natural Gas Corporation – Grays Harbor/Mason County unit. The inspection included a random selection of records, operation and maintenance, emergency response, inventory and field inspection of the pipeline facilities.

PROBABLE VIOLATIONS

1. **WAC 480-93-124 Pipeline Markers.**

(5) *Each gas pipeline company must replace markers that are reported damaged or missing within forty-five days.*

Finding(s):

There were several river crossing markers that were reported missing or damaged on 2/11/11, 9/13/11, 12/12/11 and 12/29/11 quarterly patrol and leak survey AOC logs. Although a CNG staff member went out and confirmed one of the suspect markers had been remediated during our records portion of the inspection, there were additional markers that were unconfirmed that they had been replaced within the required time. Many of the work orders were unable to be found. Additionally, there was an example provided where marker that was reported as needing replaced on 10/01/2011 in work order 589721999. It was replaced on 4/26/2012 which is beyond the 45 day limit.

2. **WAC 480-93-018 Records.**

(5) *Each gas pipeline company must update its records within six months of when it completes any construction activity and make such records available to appropriate company operations personnel.*

Finding(s):

- a. Work order 9419089752 indicates a service was installed on 10/29/10. It was not mapped as of 9/13/2011.
- b. Work order 9361410235 indicates a service was installed on 5/19/08. It was not mapped as of 4/25/12.

3. **WAC 480-93-186 Leak evaluation.**

(3) *The gas pipeline company must check the perimeter of the leak area with a combustible gas indicator. The gas pipeline company must perform a follow-up inspection on all leak repairs with residual gas remaining in the ground as soon as practical, but not later than thirty days following the repair.*

Finding(s):

- a. On 11/6/11 at 375 Stamper Rd, Elma, there was residual gas remaining after a follow-up read was taken. The next follow-up was on 3/19/12.

- b. On 1/31/12 at 2118 Jefferson, Shelton, there was residual gas remaining. The next follow-up was on 6/13/12.
- c. On 1/28/12 at 927 Euclid, Shelton, there was residual gas remaining. The next follow-up was on 5/11/12.

4. **WAC 480-93-100 Valves.**

- (2) *Each gas pipeline company must have a written service valve installation and maintenance program detailing the valve selection process, inspection, maintenance, and operating procedures. The written program must detail which new services will be required to have valves installed and maintained under this section. Service valve installation requirements do not apply to existing services (they are not retroactive). Existing service valves that historically have not been maintained but are deemed necessary for maintenance by the written valve maintenance program must be maintained in accordance with subsection (3) of this section (service valve maintenance requirements are retroactive). The written program shall explain how each of the following criteria and/or locations are considered in selecting which services will have valves installed and/or maintained under this subsection:*
 - (a) *Services to churches, schools, hospitals.*
 - (b) *Service line length and size.*
 - (c) *Service line pressure.*
 - (d) *Services to buildings occupied by persons who are confined, are of impaired mobility, or would be difficult to evacuate.*
 - (e) *Services to commercial or industrial buildings or structures.*
 - (f) *Services to high occupancy structures or areas.*

Finding(s):

There is a procedure, CP 604.034, but it addresses the design of new installations. WAC 480-93-100(2) requires the identification of existing service valves for maintenance under a written valve maintenance program.

AREAS OF CONCERN

1. **49 CFR §192.481 Atmospheric corrosion control: Monitoring.**

- (b) *During inspections the operator must give particular attention to pipe at soil-to-air interfaces, under thermal insulation, under disbonded coatings, at pipe supports, in splash zones, at deck penetrations, and in spans over water.*

Finding(s):

- a. R-4 - Camp Creek Road W of Brook Drive, Montesano, WA
There was a chart box that was bolted to the manifold and the operator could not confirm if it was removed during the last atmospheric corrosion survey.

- b. R-38 – Old Olympic Highway at Kitsap Peninsula Line, Shelton, WA
There was a chart box that was bolted to the manifold and the operator could not confirm if it was removed during the last atmospheric corrosion survey.

2. **49 CFR §192.479 Atmospheric corrosion control: General.**

- (a) *Each operator must clean and coat each pipeline or portion of pipeline that is exposed to the atmosphere, except pipelines under paragraph (c) of this section.*

Finding(s):

- a. R-4 - Camp Creek Road W of Brook Drive, Montesano, WA
There were sections of dis-bonded coating and some external corrosion present needing evaluation on the line pipe. The operating run had corrosion needing evaluation on a welded pipe nipple and the outlet valve housing. The operator indicated that this station was scheduled for remediation.
- b. R-10 - McCleary-Sine Rd at Williams Pipeline, McCleary, WA
There were sections of dis-bonded coating and some external corrosion present needing evaluation on the line pipe. The operator indicated that this station was scheduled for remediation.
- c. R-15 – Shelton Springs Rd at Kitsap Peninsula Line, Shelton, WA
There were sections of dis-bonded coating and some external corrosion present needing evaluation on the line pipe. The operator indicated that this station was scheduled for remediation.
- d. R-34 – Shelton Springs Rd at Wallace Blvd, Shelton, WA
R-15 was within the same station and it was noted as having more corrosion than R-34, but the operator stated that both stations are scheduled to be cleaned, evaluated for corrosion, and properly coated.