



STATE OF WASHINGTON  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION  
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**CERTIFIED MAIL**

February 6, 2014

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

Dear Mr. Martuscelli:

**RE: 2013 Natural Gas Standard Inspection –Yakima/Sunnyside District**

Thank you for your letter, dated December 18, 2013, addressing the findings of our inspection conducted during the week of September 23-24, 2013, of the Cascade Natural Gas (CNG) Yakima/Sunnyside District. While we generally accept your response, we continue to be concerned about potential weaknesses in CNG's QA/QC processes.

With respect to the non-grading of leaks, the response notes three issues which "may have contributed to the documentation deficiencies noted by staff in Yakima". These are: (1) new roles; (2) time management; and (3) conditioned employees. It would seem that prior to giving quality control responsibilities to the new managers that specific oversight or on the job training would have been required to ensure that situations exactly like the one found during the audit did not occur.

While we understand how it could have happened, the question is why? It appears from our perspective that in the "rush" to get these new employees "up and running" maybe some things were missed which in turn allowed the oversight process to be compromised. Even though it seems minor, as CNG typically repairs all leaks as they are found, this issue was allowed to happen and propagate un-noticed until commission pipeline safety staff's (staff) audit. The issue is one of confidence in the program and the results. Given how long this particular subject has been a finding during CNG inspections, I am concerned that staff is still finding the same results—in numbers and by different employees.

Additionally, while we understand the issue of "conditioned" employees, we do not believe, at this point in time, it should still be an issue. CNG revised its procedure (CP 750) on leak grading

Cascade Natural Gas  
2013 Natural Gas Standard Inspection - Yakima/Sunnyside  
February 6, 2014  
Page 2

and held its first meeting with employees in 2010. That was over three years ago and today it should not be an issue. CNG must ensure procedures are followed and system safety and integrity are not compromised.

Finally, the findings letter dated November 4, 2013 requested CNG to provide the internal quality assurance/quality control (QA/QC) audits performed as required by the settlement agreement. This information was not included in your response. Ms. Tina Beach, Manager of Standards and Compliance for CNG has communicated to staff that this information is voluminous and has suggested that it might be better for staff to review them in place. As such, staff will schedule time in the near future to review this documentation, the findings noted and any programmatic and/or policy changes resulting from the audit findings.

Staff would like to thank CNG's personnel for their cooperation and assistance in this matter.

If you have any questions or if we may be of any assistance, please contact Dennis Ritter at (360) 664-1159.

Sincerely,



David D. Lykken  
Pipeline Safety Director

cc: Tina Beach, Manager of Standards & Compliance  
Steve Kessie, Director, Operation Services  
Jeremy Ogden, Director, Engineering Services  
Kevin McCallum, Pipeline Safety Specialist