



STATE OF WASHINGTON

UTILITIES AND TRANSPORTATION COMMISSION

1300 S. Evergreen Park Dr. S.W., P.O. Box 47250 • Olympia, Washington 98504-7250

(360) 664-1160 • TTY (360) 586-8203

CERTIFIED MAIL

Dec. 12, 2016

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

Dear Mr. Martuscelli:

**RE: 2016 Natural Gas Standard Inspection – Cascade Natural Gas Corporation,
Bellingham District Insp. No. 6774**

Staff from the Washington Utilities and Transportation Commission (staff) conducted a Standard Natural Gas inspection from Nov. 14 to 17, 2016, of the Cascade Natural Gas Corporation (CNGC) Bellingham District. The inspection included a records review and inspection of certain pipeline field facilities.

Our inspection indicates 1 (one) series of probable violations (PV) and 1 (one) area of concern (AOC) as noted in the enclosed report.

Your response needed

Please review the attached report and respond in writing by Jan. 13, 2017. The response should include how and when you plan to bring the probable violations into full compliance and how you plan on addressing the area of concern.

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 81.04.405; or

- Issue a complaint under RCW 81.88.040, seeking monetary penalties, changes in the company's practices, or other relief authorized by law, and justified by the circumstances. Any pipeline company that violates any pipeline safety provision of any commission order, or any rule in this chapter including those rules adopted by reference, or chapter 81.88 RCW is subject to a civil penalty not to exceed two hundred thousand dollars for each violation for each day that the violation persists. The maximum civil penalty for a related series of violations is two million dollars; or
- Consider the matter resolved without further commission action.

We have not yet decided whether to pursue a penalty or complaint in this matter. Should the commission decide to assess a penalty or initiate a complaint, your company will have an opportunity to respond and formally present its position.

If you have any questions or if we may be of any assistance, please contact Scott Rukke at (360) 664-1241. Please refer to the subject matter described above in any future correspondence pertaining to this inspection.

Sincerely,



Alan E. Rathbun
Pipeline Safety Director

Enclosure

cc: Steve Kessie, Director, Operation Services, CNGC
Jeremy Ogden, Director, Engineering Services, CNGC
Mike Eutsey, Manager, Standards and Compliance, CNGC
Kevin McCallum, Pipeline Safety Specialist, CNGC

**UTILITIES AND TRANSPORTATION COMMISSION
2016 Natural Gas Pipeline Safety Inspection
Cascade Natural Gas, Bellingham District**

The following probable violation(s) of Title 49 CFR Part 192 and WAC 480-93 were noted as a result of the 2016 inspection of the Cascade Natural Gas Corporation, Bellingham District. The inspection included a random selection of records, operation and maintenance (O&M), emergency response, inventory, and field inspection of the pipeline facilities.

PROBABLE VIOLATIONS

1. **§192.619(a)(3) Maximum allowable operating pressure - Steel or plastic pipelines**
(a) No person may operate a segment of steel or plastic pipeline at a pressure that exceeds a maximum allowable operating pressure determined under paragraph (c) or (d) of this section, or the lowest of the following:

(3) The highest actual operating pressure to which the segment was subjected during the 5 years preceding the applicable date in the second column. This pressure restriction applies unless the segment was tested according to the requirements in paragraph (a)(2) of this section after the applicable date in the third column or the segment was uprated according to the requirements in subpart K of this part:

<i>Pipeline segment</i>	<i>Pressure date</i>	<i>Test date</i>
<i>All other pipelines.</i>	<i>July 1, 1970</i>	<i>July 1, 1965</i>

Finding(s):

The following coated steel mains do not have an established Maximum Allowable Operating Pressures (MAOP) or are operating above the MAOP.

- a. **Hovel Rd and Front St (WA 547), Sumas. Pressure Test Record Request No. 1** - This main was installed in 1966. No pressure test record is available. No uprate record is available. No operating pressure history prior to July 1, 1970 is available, (CNG statistical data sheet form 311). This pipeline is currently operating at 38 psig with a CNG specified MAOP of 40 psig.

Per the requirements of 192.619, the MAOP of this pipeline has not been established.

- b. **Main running east from N Washington on E Main St (Hwy 544), Everson. Pressure Test Record Request No. 3** - This main was installed in 1962. No pressure test record is available. No uprate record is available. No operating pressure history prior to July 1, 1970 is available, (CNG statistical data sheet form 311). This pipeline is currently operating at 42 psig with a CNG specified MAOP of 44 psig.

Per the requirements of 192.619, the MAOP of this pipeline has not been established.

- c. **Main on Iowa St between Woburn and Pacific, Bellingham. Pressure Test Record Request No. 4** - This main was installed in 1965. No pressure test record is available. No uprate record is available. CNG provided a statistical data sheet (CNG Form 311) indicating that the historical operating pressure in the 5 year window prior to July 1, 1970 was 25 psig, (January 10, 1969). This pipeline is currently operating at 58 psig with a CNG specified MAOP of 60 psig.

Per the requirements of 192.619, the MAOP of this pipeline is currently 25 psig.

- d. **Main running south on Guide Meridian (WA 539) from Main St, Lynden. Pressure Test Record Request No. 5** - This main was installed in 1962. No pressure test record is available. No uprate record is available. CNG provided a statistical data sheet (CNG Form 311) indicating that the historical operating pressure in the 5 year window prior to July 1, 1970 was 30 psig, (November 4, 1968). This pipeline is currently operating at 59 psig with a CNG specified MAOP of 60 psig.

Per the requirements of 192.619, the MAOP of this pipeline is currently 30 psig.

AREAS OF CONCERN OR FIELD OBSERVATIONS

1. **WAC 480-93-188(3)(b) Gas Leak Surveys**

- (3) *Each gas pipeline company must conduct gas leak surveys according to the following minimum frequencies.*
 - (b) *High occupancy structures or areas – At least one annually, but not to exceed fifteen months between surveys.*

Finding(s):

CNG leak survey maps are not consistent in highlighting the rights of way surrounding the Business District and High Occupancy Structure or area (HOS) annual leak surveys. It is a requirement of WAC 480-93-188 that the rights of way surrounding these facilities be included in the annual leak surveys. CNG should review their leak survey maps to ensure that all rights of way are highlighted according to the sections that are scheduled for leak surveys.

Although this rule does not specifically mention the right of way, CNG has been provided with documentation indicating that due to rule language contained in WAC 480-93-188, it is the intent of the WAC that operators leak survey the right of way. This rule also applies to playgrounds, parks, ball fields, etc., that meet the applicable definition of an HOS found in WAC 480-93-005.

Note:

WAC 480-93-188(3)(a) Business Districts – specifically mentions the right of way surrounding these areas.