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December 21, 2016

Alan Rathbun- Director of Pipeline Safety Program  
State of Washington Utilities and Transportation Commission  
1300 S. Evergreen Park Dr. SW  
P.O. Box 47250  
Olympia, WA 98504-7250

RECEIVED  
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State of Washington  
UTC  
Pipeline Safety Program

Subject: Response to 2016 Natural Gas Standard Inspection – Yakima District (Insp. No. 6775)

Dear Mr. Rathbun,

This letter is intended to address the four probable safety code violations from the 2016 Yakima District Standard Inspection. The inspection was conducted from September 20-22, 2016 and on October 19, 2016 in Yakima, Washington.

### PROBABLE VIOLATIONS

- I. 49 CFR §192.723(b)(1) Distribution systems: Leakage surveys**
- (b) *The type and scope of the leakage control program must be determined by the nature of the operations and the local conditions, but it must meet the following minimum requirements:*
- (1) *A leakage survey with leak detector equipment must be conducted in business districts, including tests of the atmosphere in gas, electric, telephone, sewer, and water system manholes, at cracks in pavement and sidewalks, and at other locations providing an opportunity for finding gas leaks, at intervals not exceeding 15 months, but at least once each calendar year.*

**Finding(s):**

CNG's leak survey maps indicate that leak surveys for the following business district pipeline facilities exceeded 15 months between surveys and that they were not conducted once each calendar year as required:

- a. **Grandview-main located at N. Euclid Rd and W. Wine Country Rd.**  
**Map number: Grandview 5-E, Section 1.**  
Surveyed on 6/19/2014 and again on 7/27/2016. Appears to have been missed during the 07/15/2015 leak survey.
- b. **1431/1501 Yakima Valley Highway.**  
**Map number: Sunnyside 7-F, Section 1.**  
Surveyed on 7/30/2014 and again on 9/2016. Appears to have been missed on 8/13/2015.

**Note:**

It was not determined at the time of this inspection whether this was a record keeping issue and the survey maps were inadvertently not marked or whether the surveys were actually not completed.

**Cascade Response:**

Cascade Natural Gas (CNGC) completed additional review of two findings listed above. The following is a result of that review:

*In the Community to Serve®*

- a. **Grandview-main located at N. Euclid Rd and W. Wine Country Rd.**  
**Map number: Grandview 5-E, Section 1.**

This identified main is high pressure (HP) main and is walked annually as part of the 4" Grandview HP line leak survey. It was surveyed on October 18, 2014, October 13, 2015 and October 11, 2016. This section of main will be removed from the Section 1 line walk. See Attachment 1: Grandview Maps.

- b. **1431/1501 Yakima Valley Highway.**  
**Map number: Sunnyside 7-F, Section 1.**

CNGC acknowledges that the records for this segment of pipeline do not allow CNGC to demonstrate that this segment was surveyed. CNGC attributes this omission to an error in highlighting.

**2** **WAC 480-93-110(5)(d) Corrosion Control**

(5) *Each gas pipeline company must conduct inspections or tests for electrical isolation between metallic pipeline casings and metallic pipelines at least once annually, but not to exceed fifteen months between inspections or tests. The test or inspection must also determine whether the pipeline has adequate levels of cathodic protection at the casing to pipeline interface. These requirements do not apply to unprotected copper inserted in ferrous pipe.*

(d) *Whenever a short exists between a line pipe and casing, the gas pipeline company must perform a leak survey within ninety days of discovery and at least twice annually thereafter, but not to exceed seven and one-half months between leak surveys until the shorted condition is eliminated.*

**Finding(s):**

CNG's 180 Day Shorted Casing Leak Survey form indicates that the following shorted casings were not leak surveyed twice annually or at a frequency not to exceed seven and one half months as required:

- a. **Casing 781-CA-011, 201 N. Railroad Ave, Selah:**  
Records indicate that this casing failed a Tinker Razor shorted casing test during the 9/18/2014 annual survey at which time a leak survey was conducted indicating no gas was found. CNG was unable to provide records indicating that this shorted casing was leak surveyed at an interval not to exceed 7.5 months as required and it was not on the CNG 180 Day Shorted Casing Leak Survey form which was completed on 2/11/2015.
- b. **Casing 324-CA-012, Grandview Rd N of W 5th St, Grandview:**  
Records indicate that this casing failed a Tinker Razor shorted casing test during the 9/12/2014-9/15/2014 annual survey at which time a leak survey was conducted indicating no gas was found. CNG was unable to provide records indicating that this shorted casing was leak surveyed at an interval not to exceed 7.5 months as required and it was not on the CNG 180 Day Shorted Casing Leak Survey form which was completed on 2/12/2015.
- c. **Casing 325-CA-008, Hwy 223 & West Blvd, Granger:**  
Records indicate that this casing failed a Tinker Razor shorted casing test during the 9/12/2014 - 9/15/2014 annual survey at which time a leak survey was conducted indicating no gas was found. CNG was unable to provide records indicating that this shorted casing was leak surveyed at an interval not to exceed 7.5 months as required and it was not on the CNG 180 Day Shorted Casing Leak Survey form which was completed on 2/12/2015.
- d. **Casing 823-CA-011, Factory Rd East of Yakima Valley Hwy, Sunnyside:**  
Records indicate that this casing failed a Tinker Razor shorted casing test during the 9/12/2014 - 9/15/2014 annual survey at which time a leak survey was conducted indicating no gas was found. CNG was unable to provide records indicating that this shorted casing was leak surveyed at an interval not to exceed 7.5 months as required and it was not on the CNG 180 Day Shorted Casing Leak Survey form which was completed on 2/12/2015.

- e. **Casing 823-CA-029, Yakima Valley Hwy., S of E Edison Rd, Sunnyside:**  
Records indicate that this casing failed a Tinker Razor shorted casing test during the 9/12/2014 - 9/15/2014 annual survey at which time a leak survey was conducted indicating no gas was found. CNG was unable to provide records indicating that this shorted casing was leak surveyed at an interval not to exceed 7.5 months as required and it was not on the CNG 180 Day Shorted Casing Leak Survey form which was completed on 2/12/2015.

**Cascade Response:**

CNGC has modified the process for updating these forms to add an additional layer of quality control. Previously the Annual Casing and Semi-Annual (180-Day) Shorted Casing forms were maintained by each individual district. The CNGC Corrosion Department now maintains the master copy of the Annual Casing and Semi-Annual (180-Day) Shorted Casing forms. Conditional formatting was also added to the forms to assist in identifying casings requiring additional leak surveys.

**3 §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 updated according to the requirements in subpart K of this part:*

<i>Pipeline segment</i>	<i>Pressure date</i>	<i>Test date</i>
<i>Other pipelines</i>	<i>July 1, 1970</i>	<i>July 1, 1965</i>

**Finding(s):**

CNG has the following coated steel mains that do not have pressure test records available. CNG was able to provide historical operating pressure records for all but one of these mains that indicate what the pipelines operated at in the 5 year window prior to July 1, 1970. CNG was unable to provide uprate records that would substantiate the current MAOPs for these pipelines.

- a. **Toppenish. South of Status between S. D St and S. E St. (#3B pre inspection request)**  
This main was installed in April of 1959. No pressure test records are available. CNG provided a Statistical Data Sheet (CNG Form 311) for this system indicating that the historical operating pressure in the 5 year window prior to July 1, 1970 was 30 psig. Per the requirements of 192.619 the MAOP of this pipeline is 30 psig. Current operating pressure is 54 psig.
- b. **Wapato. N. Lincoln Ave north off E. Wapato Dr. (#1B pre inspection request)**  
This main was installed in June of 1957. No pressure test records are available. CNG provided a Statistical Data Sheet (CNG Form 311) for this system indicating that the historical operating pressure in the 5 year window prior to July 1, 1970 was 45 psig. Per the requirements of 192.619 the MAOP of this pipeline is 45 psig. Current operating pressure is 58 psig.
- c. **Grandview. W. 3rd between Hillcrest and Euclid. (#5B pre inspection request)**  
This main was installed in October of 1964. No pressure test records are available. CNG provided a Statistical Data Sheet (CNG Form 311) for this system indicating that the historical operating pressure in the 5 year window prior to July 1, 1970 was 40 psig. Per the requirements of 192.619 the MAOP of this pipeline is 40 psig. Current operating pressure is 56 psig.

**d. Granger. W. 1<sup>st</sup> St and West Blvd S. (#4B pre inspection request)**

This main was installed in February of 1964. No pressure test records are available. CNG provided a Statistical Data Sheet (CNG Form 311) for this system indicating that the historical operating pressure in the 5 year window prior to July 1, 1970 was 30 psig. Per the requirements of 192.619 the MAOP of this pipeline is 30 psig. Current operating pressure is 45 psig.

**Cascade Response:**

With similar findings in Walla Walla and Bellingham, CNGC acknowledges that a comprehensive plan to address this issue across our system is necessary. CNGC is establishing a new Integrity Management department and is in the process of hiring a Director, System Integrity who will be responsible for all aspects of Integrity Management, including MAOP validation for our entire system. CNGC anticipates this position to be filled soon. Once the position is filled, CNGC will initiate a meeting with Staff to discuss developing a path to compliance.

**4 §192.805 Qualification Program**

*Each operator shall have and follow a written qualification program. The program shall include provisions to:*

- (a) Identify covered tasks;*
- (b) Ensure through evaluation that individuals performing covered tasks are qualified;*

**Finding(s):**

CNG bases their Operator Qualification Program on the Midwest Energy Associations (MEA) training and evaluation criteria. In order to conduct quarterly patrols, employees must be qualified to MEA covered task 192-0901, System Patrolling. CNG's Operator Qualification procedures, CP-503, requires that only qualified individuals perform covered tasks unless they are under the direct supervision of a qualified individual.

CNG's System Surveillance Record (CNG Form 286), dated 1/5/2016 -1/8/2016, indicates that CNG used an employee for the Yakima 2016 1st quarter patrol that did not have the required MEA 192-0901 qualification.

**Cascade Response:**

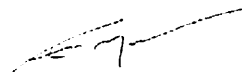
The operator who was not in a qualified status was working under the direct supervision of a qualified individual. CP503 Operator Qualification step 4.4.7.1 states:

*An individual not holding a qualified status may perform a Covered Task if the individual is working under the direct supervision of a qualified individual. The qualified individual will be responsible for the proper completion of the task and all related paperwork.*

The qualified individual did not complete the paperwork as required. Training will be conducted with the operations personnel to clarify this requirement. The qualified individual's OQ record and copies of the training roster are included in Attachment 2: OQ Record and Training Roster.

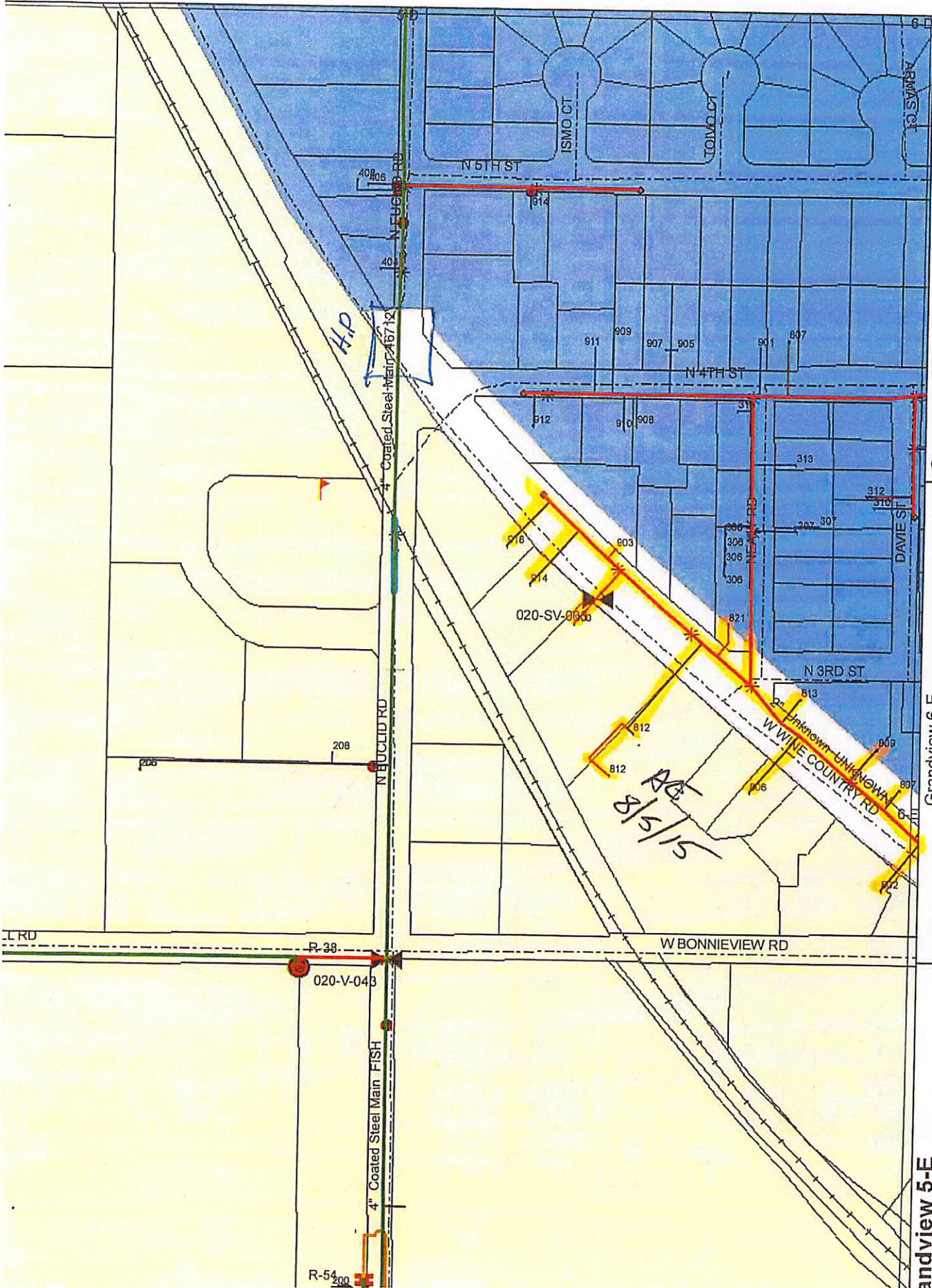
Please contact Mike Eutsey at (509) 734-4576 with questions or comments.

Respectfully Submitted,



Eric Martuscelli  
Vice President, Operations  
Cascade Natural Gas Corporation

**Attachment 1: Grandview Maps**



Cascade Natural Gas Corp.  
 Created by: Mark Bitton  
 Date: 7/15/2015

Grandview 6-E

andview 5-E  
 andview Section 1  
 ak Survey Grids

AG  
 8/5/15

R-54

020-V-043

R-38

4" Coated Steel Main FISH

4" Coated Steel Main FISH

H.P.

LRD

N 5TH ST

N 4TH ST

N 3RD ST

W BONNIEVIEW RD

W WINE COUNTRY RD

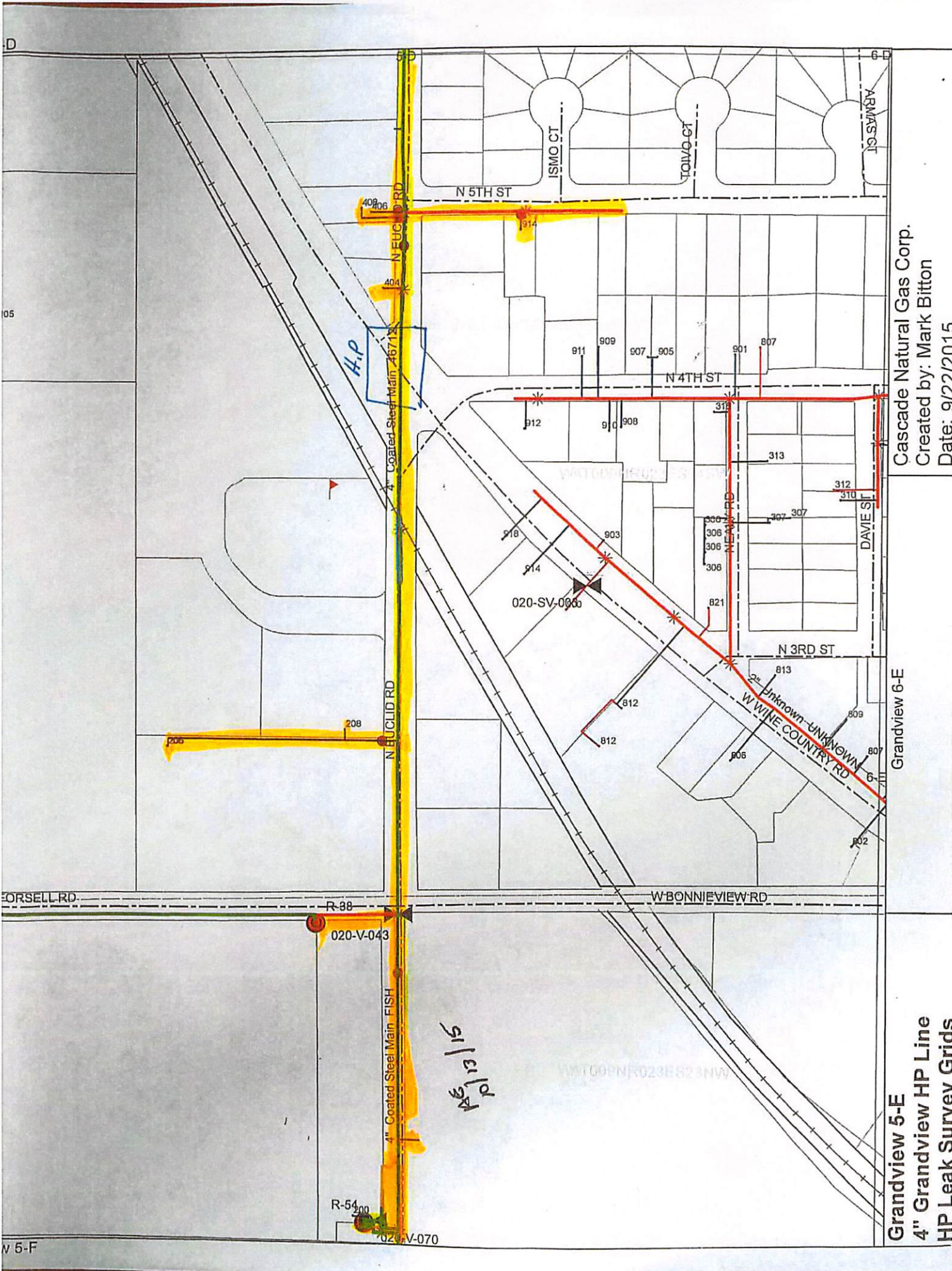
DAVIE ST

ISMO CT

TOIMO CT

ARMY CT

N FUGLE RD



Cascade Natural Gas Corp.  
 Created by: Mark Blitton  
 Date: 9/22/2015

Grandview 6-E

Grandview 5-E  
 4" Grandview HP Line  
 HP Leak Survey Grids

R-54  
 12/15

**Attachment 2: OQ Record and Training Roster**



# MDU RESOURCES

## Employee History Report

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**Site:** CNG Yakima

**Employee:** Shelton, Gary - gshelton

**Qualification:** 192-0901.01 System Patrolling

Assigned	Projected	Qualified	Requalify	Removed	Eval Method
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		12/12/2011	12/12/2016	12/1/2016	
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**Notes:** New qual added on 12/13/2016

		12/1/2016	12/1/2021		
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**THIS IS AN IMPORTANT COMPANY RECORD.  
— DO NOT DESTROY —**

**TRAINING ATTENDANCE SHEET**

DATE: 12-14-2016

TIME: 2:00 P.M.

LOCATION: Yakima District

INSTRUCTOR: Chris Rivas

SUBJECT:

C.P. 503

WRITTEN MATERIALS:

192-1201MEA module Qualification Met

**ATTENDEES**

	SIGNATURE	NAME (Type or print)	EMPLOYEE NO.	WORK LOCATION
1.		GARY SHELTON	509389	Yakima
2.		Ed Marquard	509526	YAKIMA
3.		Richard NAVE	509240	YAKIMA
4.		GREG OLNEY	509382	YAKIMA
5.		CHEYENNE ALLAN	509523	YAKIMA
6.		Darrell L. Phillips	509417	Yakima
7.		Conrad Coates SR	509292	S/ Yakima
8.		Lee Bolen DNR	509283	Tulley/ Side
9.		ROY KLEIN	509241	YAKIMA
10.				
11.				
12.				
13.				
14.				
15.				
16.				
17.				