



STATE OF WASHINGTON  
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**

August 17, 2012

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

Dear Mr. Martuscelli:

**RE: 2012 Natural Gas Public Awareness Program Inspection – Cascade Natural Gas Corporation**

Staff from the Washington Utilities and Transportation Commission (staff) conducted a Public Awareness Program (PAP) inspection from May 30, 2012 to May 31, 2012 of Cascade Natural Gas Corporation (CNG). The inspection included a review of CNG's Public Awareness Program (PAP) and associated records.

For efficiency and other reasons, the UTC staff conducted this inspection jointly with representatives from the Oregon Public Commission and Idaho Public Utilities. However, as you are aware, each of these commissions has separate gas pipeline safety jurisdiction over CNG and each commission will make its own decision regarding the exercise of that jurisdiction regarding this inspection. Therefore, this letter and the attached report are from the State of Washington, Utilities and Transportation Commission only.

Our inspection indicates 19 probable violations as noted in the enclosed report. We also noted two areas of concern, which unless corrected, could potentially lead to future violation of state and/or federal pipeline safety rules.

Staff's findings and a review the company's CY 2011 PA effectiveness survey indicate that the company may not be devoting the resources necessary to ensure that the plan not only complies with pipeline safety regulations, but is effective in its messaging to the public. In part, the survey found that 68% of respondents did not understand or retain the message, and 33% had a poor perception of the safety of CNG's pipelines.



I welcome your statement of executive support contained in CNG Company Procedure C.P. 500 in that you communicate the importance of establishing communications and providing information that will educate the public. You go on to state that "All Members of Cascade's Executive Management have an understanding of the public awareness program and are committed to achieving the objectives of the programs as outlined in this Company Procedure." My hope is that the company is indeed committed to this effort and will take the necessary steps to ensure these objectives are met.

**Your response needed**

Please review the attached report and respond in writing by September 18, 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
- Consider the matter resolved without further commission action.

We have not yet decided whether to pursue a complaint or penalty in this matter. Should an administrative law judge decide to pursue a complaint or penalty, your company will have an opportunity to present its position directly to the commissioners.

If you have questions, or if we may be of any assistance, please contact Patti Johnson at (360) 870-4915. 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, CNG

**WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**  
**2012 Public Awareness Program Inspection**  
**Cascade Natural Gas Corporation - Headquarters**

The following probable violations and areas of concern of Title 49, CFR Part 192 were noted as a result of the 2012 Public Awareness Program inspection of the Cascade Natural Gas Corporation (CNG). The inspection included a review of CNG's Public Awareness Program and associated records.

**PROBABLE VIOLATIONS**

1. **49 CFR §192.616 Public Awareness**

- (a) *Except for an operator of a master meter or petroleum gas system covered under paragraph (j) of this section, each pipeline operator must develop and implement a written continuing public education program that follows the guidance provided in the American Petroleum Institute's (API) Recommended Practice (RP) 1162 (incorporated by reference, see § 192.7).*

**Finding 1: PHMSA Form 21 question 1.02 Management Support**

CNG's written PAP failed to specifically identify how management participates in the PAP.

**Finding 2: PHMSA Form 21 question 1.02 Management Support**

CNG's written PAP failed to identify all of the Program Administrator roles and responsibilities.

**Finding 3: PHMSA Form 21 question 1.02 Management Support**

CNG's written PAP failed to specifically identify how many employees are involved with the PAP, including senior management.

**Finding 4: PHMSA Form 21 question 1.02 Management Support**

CNG's written PAP failed to identify the titles of all the employees involved with the PAP, including senior management.

**Finding 5: PHMSA Form 21 question 1.02 Management Support**

CNG's written PAP failed to identify the roles of the employees involved with the PAP, including senior management.

**Finding 6: PHMSA Form 21 question 1.02 Management Support**

CNG's written PAP failed to identify the external support resources currently being used for the PAP implementation and evaluations. CNG did provide a list of all external support resources used.

2. **49 CFR §192.616 Public Awareness**

- (b) *The operator's program must follow the general program recommendations of API RP 1162 and assess the unique attributes and characteristics of the operator's pipeline and facilities.*

**Finding 1: PHMSA Form 21 question 1.03 Unique attributes and Characteristics**

CNG's written PAP failed to identify their unique attributes and characteristics of the pipeline and facilities, i.e. compressor station, odorizers.

3. **49 CFR §192.616 Public Awareness**

- (c) *The operator must follow the general program recommendations, including baseline and supplemental requirements of API RP 1162, unless the operator provides justification in its program or procedural manual as to why compliance with all or certain provisions of the recommended practice is not practicable and not necessary for safety.*

**Finding 1: PHMSA Form 21 question 1.06 Written Evaluation Plan**

Prior to the 2012 CNG PAP, CNG did not provide justification in the PAP for not using a statistical sample size when conducting evaluations.

**Finding 2: PHMSA Form 21 question 1.06 Written Evaluation Plan**

Prior to 2012, CNG did not follow its written PAP and conduct annual audits.

**Finding 3: PHMSA Form 21 question 1.06 Written Evaluation Plan**

Prior to 2012, CNG did not follow its written PAP and conduct a 4 year evaluations.

4. **49 CFR §192.616 Public Awareness**

- (c) *The operator must follow the general program recommendations, including baseline and supplemental requirements of API RP 1162, unless the operator provides justification in its program or procedural manual as to why compliance with all or certain provisions of the recommended practice is not practicable and not necessary for safety.*

**Finding 1: PHMSA Form 21 question 2.05 Considerations for Supplemental Program Enhancements**

CNG's written PAP failed to identify how unique attributes and characteristics are considered for supplemental or enhanced program components.

**Finding 2: PHMSA Form 21 question 2.05 Considerations for Supplemental Program Enhancements**

CNG failed to provide supplemental enhanced program components for its unique attributes and characteristics of their pipeline system (an example is the compressor station in WA).

**Finding 3: PHMSA Form 21 question 2.05 Considerations for Supplemental Program Enhancements**

CNG failed to provide justification documentation for its reasoning that supplemental enhanced program components for unique attributes and characteristics were not practicable and necessary for safety.

**Finding 4: PHMSA Form 21 question 2.05 Considerations for Supplemental Program Enhancements**

CNG failed to provide documentation that relevant factors were considered for supplemental program enhancements.

**Finding 5: PHMSA Form 21 question 2.05 Considerations for Supplemental Program Enhancements**

CNG failed to provide documentation that supplement program enhancements were not necessary.

5. **49 CFR §192.616 Public Awareness**

(c) *The operator must follow the general program recommendations, including baseline and supplemental requirements of API RP 1162, unless the operator provides justification in its program or procedural manual as to why compliance with all or certain provisions of the recommended practice is not practicable and not necessary for safety.*

**Finding 1: PHMSA Form 21 question 2.06 Maintaining Liaison with Emergency Response Officials**

CNG's PAP failed to identify expectations related to emergency responders.

**Finding 2: PHMSA Form 21 question 2.06 Maintaining Liaison with Emergency Response Officials**

CNG's written PAP failed to identify if their expectations for emergency responders are the same for all areas.

**Finding 3: PHMSA Form 21 question 2.06 Maintaining Liaison with Emergency Response Officials**

CNG's PAP failed to determine if the affected emergency response organizations have adequate and proper resource to respond.

**Finding 4: PHMSA Form 21 question 2.06 Maintaining Liaison with Emergency Response Officials**

CNG's written PAP failed to specifically identify how emergency responders that did not attend training or information sections received the communicated information. CNG PAP Section .41 is specific to fire fighters and does not include all emergency responders, i.e. police.

**Finding 5: PHMSA Form 21 question 2.06 Maintaining Liaison with Emergency Response Officials**

CNG's PAP failed to identify how CNG learns the responsibility and resources of each government organization and emergency responder.

6. **49 CFR §192.616 Public Awareness**

- (c) *The operator must follow the general program recommendations, including baseline and supplemental requirements of API RP 1162, unless the operator provides justification in its program or procedural manual as to why compliance with all or certain provisions of the recommended practice is not practicable and not necessary for safety.*

**Finding 1: PHMSA Form 21 question 3.01 Program Evaluation and Continuous Improvement (Annual Implementation Audits)**

CNG failed to conduct annual audits between 2007 and 2011.

7. **49 CFR §192.616 Public Awareness**

- (c) *The operator must follow the general program recommendations, including baseline and supplemental requirements of API RP 1162, unless the operator provides justification in its program or procedural manual as to why compliance with all or certain provisions of the recommended practice is not practicable and not necessary for safety.*

**Finding 1: PHMSA Form 21 question 3.02 Acceptable Methods for Program Implementation Audits**

CNG's PAP failed to have procedures and documentation methods for completing CNG Exhibit 4 form titled Program Implementation Annual Audit.

8. **49 CFR §192.616 Public Awareness**

- (c) *The operator must follow the general program recommendations, including baseline and supplemental requirements of API RP 1162, unless the operator provides justification in its program or procedural manual as to why compliance with all or certain provisions of the recommended practice is not practicable and not necessary for safety.*

**Finding 1: PHMSA Form 21 question 3.03 Program Changes and Improvements**

CNG's PAP failed to have a procedure and documentation method for changes to the PAP.

**Finding 2: PHMSA Form 21 question 3.03 Program Changes and Improvements**

CNG's PAP failed to have a procedure and documentation methods for changes in individual PAP procedures and reasoning for change.

9. **49 CFR §192.616 Public Awareness**

- (c) *The operator must follow the general program recommendations, including baseline and supplemental requirements of API RP 1162, unless the operator*

*provides justification in its program or procedural manual as to why compliance with all or certain provisions of the recommended practice is not practicable and not necessary for safety.*

**Finding 1: PHMSA Form 21 question 4.01 Evaluating Program Effectiveness**

CNG failed to conduct a 4 year effectiveness evaluation in 2010.

**Finding 2: PHMSA Form 21 question 4.01 Evaluating Program Effectiveness**

CNG failed to provide justification for not completing a 4 year evaluation in its PAP.

**Finding 3: PHMSA Form 21 question 4.01 Evaluating Program Effectiveness**

CNG failed to follow its 2008 PAP .073 Program Effectiveness and prepare a 2010 effectiveness evaluation. The 2012 PAP was not in effect in 2008.

10. **49 CFR §192.616 Public Awareness**

(c) *The operator must follow the general program recommendations, including baseline and supplemental requirements of API RP 1162, unless the operator provides justification in its program or procedural manual as to why compliance with all or certain provisions of the recommended practice is not practicable and not necessary for safety.*

**Finding 1: PHMSA Form 21 question 4.02 Measure Program Outreach**

Prior to 2012, CNG did not determine statistical sample size and margin of error for each of the four intended stakeholder audiences.

11. **49 CFR §192.616 Public Awareness**

(c) *The operator must follow the general program recommendations, including baseline and supplemental requirements of API RP 1162, unless the operator provides justification in its program or procedural manual as to why compliance with all or certain provisions of the recommended practice is not practicable and not necessary for safety.*

**Finding 1: PHMSA Form 21 question 4.03 Measure Percentage Stakeholders Reached**

Prior to 2012, CNG failed to estimate the percentage of individuals or entities actually reached within each stakeholder audience group.

**Finding 2: PHMSA Form 21 question 4.03 Measure Percentage Stakeholders Reached**

Prior to 2012, CNG failed to provide justification for not estimating the percentage of individuals or entities actually reached within each stakeholder audience group.

12. **49 CFR §192.616 Public Awareness**

(c) *The operator must follow the general program recommendations, including baseline and supplemental requirements of API RP 1162, unless the operator provides justification in its program or procedural manual as to why compliance with all or certain provisions of the recommended practice is not practicable and not necessary for safety.*

**Finding 1: PHMSA Form 21 question 4.05 Measure Desired Stakeholder Behavior**

Prior to 2012, CNG did not have procedures in place to determine if stakeholders demonstrated learned behaviors and if those behaviors were taking place.

13. **49 CFR §192.616 Public Awareness**

(c) *The operator must follow the general program recommendations, including baseline and supplemental requirements of API RP 1162, unless the operator provides justification in its program or procedural manual as to why compliance with all or certain provisions of the recommended practice is not practicable and not necessary for safety.*

**Finding 1: PHMSA Form 21 question 4.06 Measure Bottom – Line results**

CNG PAP failed to include damage prevention statistics (near misses, excavation damages resulting in pipeline failures, and excavation damages that do not result in pipeline failures).

**Finding 2: PHMSA Form 21 question 4.06 Measure Bottom – Line results**

CNG Substructure Damage Report had inaccurate information for 2009. The formula for the 2009 column had been deleted. This resulted in inaccurate conclusions.

14. **49 CFR §192.616 Public Awareness**

(c) *The operator must follow the general program recommendations, including baseline and supplemental requirements of API RP 1162, unless the operator provides justification in its program or procedural manual as to why compliance with all or certain provisions of the recommended practice is not practicable and not necessary for safety.*

**Finding 1: PHMSA Form 21 question 4.07 Program Changes**

CNG failed to include property owners along the pipeline that do not live on the pipelines in their Baseline messaging.

15. **49 CFR §192.616 Public Awareness**

(d) *The operator's program must specifically include provisions to educate the public, appropriate government organizations, and persons engaged in excavation related activities on:*

- (1) *Use of a one-call notification system prior to excavation and other damage prevention activities;*
- (2) *Possible hazards associated with unintended releases from a gas pipeline facility;*



- (3) *Physical indications that such a release may have occurred;*
- (4) *Steps that should be taken for public safety in the event of a gas pipeline release; and*
- (5) *Procedures for reporting such an event.*

**Finding 1: PHMSA Form 21 question 2.02 Message Type and Content**

CNG's PAP failed to specifically include provisions to educate the affected public of using one-call notification system prior to excavation and other damage prevention activities;

**Finding 2: PHMSA Form 21 question 2.02 Message Type and Content**

CNG's PAP failed to specifically include provisions to educate appropriate government organizations of using one-call notification system prior to excavation and other damage prevention activities;

**Finding 3: PHMSA Form 21 question 2.02 Message Type and Content**

CNG's PAP failed to specifically include provisions to educate the public of possible hazards associated with unintended releases from a gas pipeline facility.

**Finding 4: PHMSA Form 21 question 2.02 Message Type and Content**

CNG's PAP failed to specifically include provisions to educate the public of physical indications associated with an unintended release of gas.

**Finding 5: PHMSA Form 21 question 2.02 Message Type and Content**

CNG's PAP failed to specifically include provisions to educate the public of steps that should be taken for public safety in the event of a gas pipeline release.

**Finding 6: PHMSA Form 21 question 2.02 Message Type and Content**

CNG's PAP failed to specifically include provisions to educate the public of procedures for reporting a gas pipeline release.

**Finding 7: PHMSA Form 21 question 2.02 Message Type and Content**

CNG's PAP failed to specifically include provisions to educate appropriate government organizations of possible hazards associated with unintended releases from a gas pipeline facility.

**Finding 8: PHMSA Form 21 question 2.02 Message Type and Content**

CNG's PAP failed to specifically include provisions to educate appropriate government organizations of physical indications associated with an unintended release of gas.

**Finding 9: PHMSA Form 21 question 2.02 Message Type and Content**

CNG's PAP failed to specifically include provisions to educate appropriate government organizations of steps that should be taken for public safety in the event of a gas pipeline release.

**Finding 10: PHMSA Form 21 question 2.02 Message Type and Content**

CNG's PAP failed to specifically include provisions to educate appropriate government organizations of procedures for reporting a gas pipeline release.

**Finding 11: PHMSA Form 21 question 2.02 Message Type and Content**

CNG's PAP failed to specifically include provisions to educate persons engaged in excavation related activities of possible hazards associated with unintended releases from a gas pipeline facility.

**Finding 12: PHMSA Form 21 question 2.02 Message Type and Content**

CNG's PAP failed to specifically include provisions to educate persons engaged in excavation related activities of physical indications associated with an unintended release of gas.

**Finding 13: PHMSA Form 21 question 2.02 Message Type and Content**

CNG's PAP failed to specifically include provisions to educate persons engaged in excavation related activities of steps that should be taken for public safety in the event of a gas pipeline release.

**Finding 14: PHMSA Form 21 question 2.02 Message Type and Content**

CNG's PAP failed to specifically include provisions to educate persons engaged in excavation related activities of procedures for reporting a gas pipeline release.

16. **49 CFR §192.616 Public Awareness**

(e) *The program must include activities to advise affected municipalities, school districts, businesses, and residents of pipeline facility locations.*

**Finding 1: PHMSA Form 21 question 1.04 Stakeholder Audience Identification**

CNG's PAP does not address activities to advise municipalities and schools of pipeline facility locations.

**Finding 2: PHMSA Form 21 question 1.04 Stakeholder Audience Identification**

CNG did not have or did not provide a list of schools in their service area.

**Finding 3: PHMSA Form 21 question 1.04 Stakeholder Audience Identification**

CNG did not have or did not provide a list of municipalities in their service area.

17. **49 CFR §192.616 Public Awareness**

(f) *The program and the media used must be as comprehensive as necessary to reach all areas in which the operator transports gas.*

**Finding 1: PHMSA Form 21 question 1.04 Stakeholder Audience Identification**

CNG's PAP failed to provide exact notification areas and distance on either side of the pipeline. PAP .032 states "The potential impact buffer for those systems shall be 660 feet, approximately, on each side of the pipeline."

**Finding 2: PHMSA Form 21 question 1.04 Stakeholder Audience Identification**

CNG's PAP failed to include municipalities and school districts in their affected Public customer and non-customer definitions found in PAP .031 and .032.

**Finding 3: PHMSA Form 21 question 1.04 Stakeholder Audience Identification**

CNG's PAP failed to provide a data source for the non-customer affected public (this includes property owners).

**Finding 4: PHMSA Form 21 question 1.04 Stakeholder Audience Identification**

CNG failed to provide a list of non-customers on their distribution, high pressure and transmission pipelines.

**Finding 5: PHMSA Form 21 question 1.04 Stakeholder Audience Identification**

CNG failed to provide a data source for non-customer property owners on their distribution pipeline.

**Finding 6: PHMSA Form 21 question 1.04 Stakeholder Audience Identification**

CNG did not have or did not provide a list of non-customer property owners on their transmission pipelines.

**Finding 7: PHMSA Form 21 question 1.04 Stakeholder Audience Identification**

CNG did not have or did not provide a list non-customer property owners on their distribution pipelines.

**Finding 8: PHMSA Form 21 question 1.04 Stakeholder Audience Identification**

CNG did not have or did not provide a list of schools in their service area.

**Finding 9: PHMSA Form 21 question 1.04 Stakeholder Audience Identification**

CNG did not have or did not provide a list of municipalities in their service area.

18. **49 CFR §192.616 Public Awareness**

(f) *The program and the media used must be as comprehensive as necessary to reach all areas in which the operator transports gas.*

**Finding 1: PHMSA Form 21 question 2.02 Message Type and Content**

CNG's Public Official mailing did not include an emergency phone number for CNG. CNG used a Public Association for Public Awareness (PAPA) brochure titled "Pipeline Awareness Safety Information for Public officials." CNG's name and informational phone number was found in the magazine in the list of 131 supporting member companies.

19. **49 CFR §192.616 Public Awareness**

(h) *Operators in existence on June 20, 2005, must have completed their written programs no later than June 20, 2006. The operator of a master meter or petroleum gas system covered under paragraph (j) of this section must complete development of its written procedure by June 13, 2008. Upon request, operators*

*must submit their completed programs to PHMSA or, in the case of an intrastate pipeline facility operator, the appropriate State agency.*

**Finding 1: PHMSA Form 21 question 1.01 Written Public Education Program**

CNG failed to address one clearinghouse deficiency.

- a. CNG did not include One-Call Requirements under Baseline Message Type for Affected Public.

**AREAS OF CONCERN OR FIELD OBSERVATIONS**

1. API RP 1162, Section 2.7 requires the name of the Program Administrator be stated in the PA plan. CNG C.P. 500 does not contain this information.
2. CNG's PAP, Section .04, *Message Type, Frequency and Delivery* table, is confusing and disjointed. An example of this is under the Delivery Method column, the third delivery method under affected public states "Non-customers that live within a potential impact buffer-A direct mailing to non-customers living near high pressure and transmission line right of ways". It separates customers and non-customers, and then further breaks the non-customers into transmission and high pressure customers. This is unclear and resulted in probable violations when CNG was asked to provide lists of all the affected public and the respective delivery methods.