



STATE OF WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION

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*Sent via email*

June 28, 2022

Stephen Smith  
Plant Manager  
Cardinal FG  
545 Avery Road West  
Winlock, WA 98596

**RE: 2022 Natural Gas Intrastate Transmission – Standard Inspection – Cardinal FG  
(Insp. No. 8420)**

Dear Mr. Smith:

Staff from the Washington Utilities and Transportation Commission (staff) conducted a Standard Inspection of Cardinal FG's (Cardinal) pipeline facilities from May 24, 2022, to May 25, 2022. The inspection included an onsite review of records and a field audit.

Our inspection indicates two probable violation(s) as noted in the enclosed report.

**Your response needed**

Please review the attached report and respond in writing by July 30, 2022. 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 81.04.405](#); 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

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chapter 81.88 RCW is subject to a civil penalty not to exceed \$239,142 for each violation for each day that the violation persists. The maximum civil penalty for a related series of violations is \$2,391,412; 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 Darren Tinnerstet at (360) 764-0779. Please refer to the subject matter described above in any future correspondence pertaining to this inspection.

Sincerely,

Sean C. Mayo  
Pipeline Safety Director

cc: Steven Godlewski, Engineering Manager, Cardinal FG  
Stephen Hernandez, Principal Consultant, EverLine

**UTILITIES AND TRANSPORTATION COMMISSION**  
**2022 Natural Gas Pipeline Safety Inspection**  
**Cardinal FG – Standard Inspection**

The following probable violations of CFR §192 were noted as a result of the 2022 Standard Inspection of Cardinal. The inspection included a random selection of records as well as a review of relevant procedures and a field audit.

**PROBABLE VIOLATIONS**

**1. CFR §192.615 - Emergency Plans**

*(c) Each operator shall establish and maintain liaison with appropriate fire, police, and other public officials to:*

- (1) Learn the responsibility and resources of each government organization that may respond to a gas pipeline emergency;*
- (2) Acquaint the officials with the operator's ability in responding to a gas pipeline emergency;*
- (3) Identify the types of gas pipeline emergencies of which the operator notifies the officials; and*
- (4) Plan how the operator and officials can engage in mutual assistance to minimize hazards to life or property.*

**Finding(s):**

Cardinal could not provide documentation of meetings or trainings conducted with appropriate fire, police, and other public officials. It was determined that these meetings have not been conducted in the past due to a misunderstanding by the operator. The operator was distributing pipeline specific information to local officials by way of a handbook and believed this was satisfying the requirements of this rule. Staff discussed the need to schedule meetings or training scenarios with local officials in order to be in compliance.

After the completion of this inspection, staff was advised that on May 31, 2022, Cardinal initiated and hosted a tabletop training scenario with local officials via video conference. Cardinal's Compliance Consultant (EverLine) provided staff with a detailed outline of what was covered during the training, as well as a list of the officials who attended. This type of training is what is required going forward to maintain compliance.

**2. CFR §192.605 - Procedural manual for operations, maintenance, and emergencies.**

*(a) General. Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response. For transmission lines, the manual must also include procedures for handling abnormal operations. This manual must be reviewed and updated by the operator at intervals not exceeding 15 months, but at least once each calendar year. This manual must be prepared before operations of a pipeline system commence. Appropriate parts of the manual must be kept at locations where operations and maintenance activities are conducted.*

**Finding(s):**

Cardinal failed to follow their procedure regarding remediation of atmospheric corrosion. Cardinal's contractor performed an atmospheric corrosion inspection on April 2, 2019 and documented that the coating at the William's delivery station needed cleaning and touch-up of slight superficial corrosion. According to Cardinal's procedures in place at the time of the inspection, light corrosion was to be repaired within 90-days or less. This procedure was in the Operations and Maintenance Manual Revision 4B, Section 4.6(g), issued on Sept. 28, 2015, by Cosentino Consulting, Inc. According to records, this coating cleaning and touch-up of slight superficial corrosion was not completed.

The most recent atmospheric corrosion inspection conducted on June 8, 2022, indicated that the exposed pipe at the William's delivery station needs washed and painted. Specifically, documentation indicated that there was minor corrosion and peeling at the pig launcher location of the station. Staff also observed during the field audit portion of the inspection that the overall coating condition of the exposed pipe was starting to show significant wear and was peeling and cracking in multiple places.

It should be noted that Cardinal's new procedures prepared by The Compliance Group on June 19, 2020, states that minor corrosion will be scheduled for remediation within 12 months, not to exceed 15 months. This is in Section 10.11(5) of the new procedure manual. Due to the previous report of slight atmospheric corrosion not being remediated, and the overall worsening condition of the above ground pipe observed during the field audit, it is found to be a violation of CFR 192.605, for failing to follow procedures for timely completing remedial actions.