



STATE OF WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

621 Woodland Square Loop S.E. • Lacey, Washington 98503

P.O. Box 47250 • Olympia, Washington 98504-7250

(360) 664-1160 • TTY 1-800-833-6384 or 711

Sent via email

November 16, 2023

Pat Darras
Vice President, Engineering and Operations Services
Cascade Natural Gas Corporation
400 North 4th St
Bismark, ND 58501

RE: 2023 Natural Gas Standard Comprehensive Inspection – Cascade Natural Gas Corporation – Transmission Unit – (Insp. No. 8586)

Dear Mr. Darras:

Staff from the Washington Utilities and Transportation Commission (staff) conducted a Natural Gas Standard Comprehensive Inspection of Cascade Natural Gas Corporation (CNGC), Transmission Unit from August 8, 2023 to October 5, 2023. This inspection included a records review and inspection of the pipeline facilities.

Our inspection indicates two series of 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.

Your response needed

Please review the attached report and respond in writing by December 18, 2023. 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 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 Derek Norwood at (360) 259-2525. Please refer to the subject matter described above in any future correspondence pertaining to this inspection.

Sincerely,

Scott Rukke
Pipeline Safety Director

cc: Colby Lundstrom Manager, Compliance and Operations Programs, CNGC
Josh Sanders, Director, Operations Policy & Procedures, CNGC
Mike Schoepp, Director, Operations Services, CNGC
Ryan Privratsky, Director, System Integrity, Integrity Management, CNGC

UTILITIES AND TRANSPORTATION COMMISSION
2023 Natural Gas Pipeline Safety Inspection
Cascade Natural Gas Corporation – Transmission Unit

The following series of probable violations and areas of concern of Title 49 CFR Part 192 and WAC 480-93 were noted as a result of the 2023 inspection of Cascade Natural Gas Corporation – Transmission Unit. The inspection included a random selection of records and field inspection of the pipeline facilities.

PROBABLE VIOLATIONS

1. **49 CFR §192.736(c) Compressor stations: Gas detection.**
(c) Each gas detection and alarm system required by this section must be maintained to function properly. The maintenance must include performance tests.

Findings:

CNGC did not complete maintenance and performance testing of the gas detection and alarm system at Fredonia Compressor Station as required by 49 CFR 192.736(c) and company procedures.

Compressor Station Operation and Maintenance Procedure (CP #742) specifies that LEL detectors will be tested 4 times each calendar year and Infrared Detectors (Fire Eyes) will be tested twice each calendar year. Based on maintenance records provided by CNGC (Form CP#742), LEL detectors were only tested 3 times in 2021 and 2022 and Fire Eyes were only tested once in 2022.

2. **49 CFR §192.705(b) Transmission lines: Patrolling.**
(b) The frequency of patrols is determined by the size of the line, the operating pressures, the class location, terrain, weather, and other relevant factors, but intervals between patrols may not be longer than prescribed in the following table:

| | <i>Maximum interval between patrols</i> | |
|-------------------------------|---|---|
| <i>Class location of line</i> | <i>At highway and railroad crossings</i> | <i>At all other places</i> |
| <i>1,2</i> | <i>7 1/2 months; but at least twice each calendar year</i> | <i>15 months; but at least once each calendar year</i> |
| <i>3</i> | <i>4 1/2 months; but at least four times each calendar year</i> | <i>7 1/2 months; but at least twice each calendar year</i> |
| <i>4</i> | <i>4 1/2 months; but at least four times each calendar year</i> | <i>4 1/2 months; but at least four times each calendar year</i> |

Findings:

Based on patrolling records provided by CNGC, there were several missed patrols including quarterly, semiannual, and annual patrols as required by 49 CFR 192.705. There were at least three locations with records missing for quarterly patrols, nine locations with records missing for semiannual patrols, and three locations with records missing for annual patrols. These included locations in Anacortes, Mount Vernon, Belfair, and Shelton. The missing records were for years 2020, 2021 and 2022.

AREAS OF CONCERN

1. **WAC 480-93-018 Records.**

(1) *Each gas pipeline company must maintain records sufficient to demonstrate compliance with all requirements of 49 C.F.R. §§ 191, 192 and chapter 480-93 WAC.*

Findings:

All leak survey records were available but the record keeping process and presentation of records made for an inefficient inspection at times. Staff and CNGC had to meet on at least three separate occasions to fully complete the leak survey records review. Staff recommend CNGC seek opportunities to improve the recordkeeping process and/or system for leak survey records to ensure an efficient and thorough records review can be completed.

2. **49 CFR §192.736(b) Compressor stations: Gas detection.**

(b) *Except when shutdown of the system is necessary for maintenance under paragraph (c) of this section, each gas detection and alarm system required by this section must-*

(1) *Continuously monitor the compressor building for a concentration of gas in air of not more than 25 percent of the lower explosive limit; and*

(2) *If that concentration of gas is detected, warn persons about to enter the building and persons inside the building of the danger.*

Findings:

CNGC's Compressor Station Operation and Maintenance Form (Form CP #742) does not clearly indicate at what level gas detectors alarmed. 49 CFR 192.736(b) requires that the gas detection and alarm system must monitor for concentrations of gas in air of not more than 25 percent of the lower explosive limit and warn persons about to enter the building and persons inside the building of the danger. It was verified during the field visit to Fredonia Compressor Station that this is the case, but maintenance records are less clear on what concentration was detected and when the system alarmed.