



U.S. Department
Of Transportation

1200 New Jersey Ave., SE
Washington, DC 20590

**Pipeline and
Hazardous Materials
Safety Administration**

December 7, 2017

OVERNIGHT EXPRESS MAIL

Mr. David W. Danner
Chairman
Washington Utilities and Transportation Commission
1300 South Evergreen Park Drive SW
Olympia, WA 98502

Dear Chairman Danner:

Sections 60105(e) and 60106(d) of title 49, United States Code, provide for the monitoring of State pipeline safety programs by the Pipeline and Hazardous Materials Safety Administration (PHMSA). This annual monitoring is to ensure compliance with the Pipeline Safety Act's requirements for State pipeline safety programs and provides information for determining the State's total point award for the PHMSA pipeline safety grant for the next year.

From August 28 - September 1, September 11-15, and September 18-25, 2017, representatives of PHMSA evaluated the CY 2016 Pipeline Safety program activities conducted by the Washington Utilities and Transportation Commission (WUTC). The evaluation encompassed the validation of annual Progress Report documents submitted to PHMSA, review of the pipeline program procedures and records, and the observation of an on-site inspection of a pipeline operator conducted by your staff. Thank you for the courtesies extended to PHMSA by your staff.

PHMSA appreciates the WUTC's contributions to pipeline safety by participating on various pipeline safety committees including: Mr. Joe Subsits serving as Chairman on the National Association of Pipeline Safety Representatives (NAPSR) Liaison Committee, the NAPSR Risk Modeling Work Group, the NAPSR Compendium Committee, and the National Association of Regulatory Utility Commissioners (NARUC) Subcommittee on Pipeline Safety. Additionally, Mr. Alan Rathbun served on the NAPSR Security Integrity Foundation Advisory Group Board of Directors and the NARUC Staff Subcommittee on Pipeline Safety until his retirement in May 2017. These efforts are extremely important in accomplishing our mutual goal of pipeline safety. Thank you for supporting participation in these task groups improving pipeline safety across the Nation.

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PHMSA also appreciates how quickly the WUTC filled the Pipeline Safety Program Manager position after Mr. Rathbun announced his planned retirement. Mr. Sean Mayo as the WUTC new Pipeline Safety Program Manager is working well with PHMSA for continuing to improve the pipeline safety program.

We appreciate your recognition of members of the Pipeline Safety Division at the WUTC (Joe Subsits, Dennis Ritter, Dave Cullom, Derek Norwood, and Debbie Beker) for their performance/actions during the investigation of the Greenwood incident. Their efforts helped in discovery of the root causes of the incident and together with the compliance actions taken by the WUTC will certainly minimize the possibilities of reoccurrence of this type of incident. Your support for these efforts is critical to continued success of the pipeline safety program.

Based on the evaluation and the validation of Progress Report information, it appears the pipeline safety program is complying with PHMSA's requirements. PHMSA uses two means for assessing a State agency's overall pipeline safety program performance -- a scoring of the information contained in the annual Progress Report and an annual Program Evaluation of your pipeline safety program. Detailed results are below.

Progress Report Review

The Progress Report review has a possible score of 50 points. The WUTC's score for the 2016 Progress Report were 50 out of a possible 50 points for both the Gas and Hazardous Liquid Pipeline Safety Programs. Congratulations on achieving a perfect Progress Report Score.

Annual Program Evaluation Review

Each year the PHMSA State Program Division makes a site visit to each state program for an evaluation of an agency's inspection procedures, records, inspection activities, and enforcement actions. One or more PHMSA evaluators are involved in this evaluation. Based upon this evaluation, the WUTC achieved an evaluation score of 121 out of a total of 121 possible points for your Gas program and 117 out of a total of 117 possible points for the Hazardous Liquids program. Despite achieving a perfect score, there are items that I would like to bring to your attention.

1. After review of the WUTC procedures for reportable incidents, it appears clarifying language would be helpful for engineers on call to respond to reportable incidents, regarding the appropriate time to contact the Chief Engineer for both State and Federally reportable incidents.
2. As part of the annual Program Evaluation process, PHMSA performs thorough evaluations of each state pipeline safety regulatory program. In addition to and in support of this evaluation, PHMSA and NAPSRS have developed a set of performance metrics. These metrics look at state program performance in six areas:
 - Damage Prevention Program
 - Inspection Activity

- Inspector Qualification
- Leak Management
- Enforcement
- Incident Investigation

These metrics are made public on PHMSA's Stakeholder Communication website at <http://primis.phmsa.dot.gov/comm/states.htm>. We recommend each State Program confirm they are reviewing these metrics on an annual basis and taking any Accelerated Actions necessary to ensure positive performance trends.

During the evaluation visit, PHMSA reviewed the performance metrics with Mr. Mayo. The excavation damages per 1,000 locate tickets have decreased from 2015 to 2016, back to a level close to 2014, but are still below 2010 through 2012 levels and are at about 4.2 damages per 1,000 locate requests.

Inspection days per 1,000 miles of gas pipeline have decreased from the 2014 and 2015 levels to approximately 11 days per 1,000 miles of gas pipeline for 2016. The inspection days for Hazardous Liquids pipelines decreased significantly from 2014 to 2015 levels to approximately 70 days per 1,000 miles of pipeline. Inspection days per Master Meter Operator and Liquid Propane Gas have increased significantly over 2015 levels from eight days to 14 days for 2016.

Pipeline inspector qualifications have improved in core and additional training needed for conducting inspections. Additionally, the number of inspectors who have completed the training and have over five years' experience in both the gas and hazardous liquids programs has improved over previous years.

The 2016 leaks repaired per 1,000 miles of gas pipeline is about the same as in 2015 with almost 100 leaks per 1,000 miles of pipeline repaired, while 2016 hazardous leaks repaired increased just slightly over the 2015 levels. Outstanding leaks to be repaired decreased significantly from 2015 to 2016.

Mr. Mayo has committed to reviewing these metrics on a regular basis.

3. During the evaluation, PHMSA discussed the results of the State Inspection Calculation Tool (SICT) for the WUTC with Mr. Mayo. The SICT indicates the WUTC will need to complete 478 inspection days for the gas program in 2017. The SICT indicates 63 days for the hazardous liquids program will be required to be completed for 2017. The WUTC needs to continue to monitor its inspection efforts and evaluate necessary actions to more accurately estimate the number of inspection days required for the WUTC inspection program.

Mr., David W. Danner

Page 4

Thank you for your contributions and continuing support of the pipeline safety program. A reply to this letter is not necessary; however, your comments are always welcome and my address is 3700 South MacArthur Blvd, Suite B, Oklahoma City, OK 73179-7612.

Sincerely,

A handwritten signature in black ink, appearing to read "Zach Barrett", with a long, sweeping horizontal stroke extending to the right.

Zach Barrett
Director, State Programs

cc: Sean Mayo, WUTC Pipeline Safety Program Manager
Huy Nguyen, Acting Region Director, Western Region, PHMSA, PHP-500