



U.S. Department of Transportation

**Pipeline and Hazardous Materials  
Safety Administration**

1200 New Jersey Ave., SE  
Washington, DC 20590

August 24, 2012

**OVERNIGHT EXPRESS MAIL**

Mr. Jeffrey D. Goltz  
Chairman  
Washington Utilities and Transportation Commission  
1300 South Evergreen Park Drive, SW  
P.O. Box 47250  
Olympia, WA 98502

**RECEIVED**  
**AUG 27 2012**  
State of Washington  
UTC  
Pipeline Safety Program

Dear Chairman Goltz:

Sections 60105(e) and 60106(d) of the Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011 (Act) 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 Act requirements for State pipeline safety programs and provides information for determining the State's total point award for the PHMSA pipeline safety grant for next year.

On June 4-8, 2012, a representative of PHMSA's Office of State Programs evaluated the CY 2011 Gas and Hazardous Liquid 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 on June 18-22, 2012, the observation of two on-site inspections of a hazardous liquid and natural gas pipeline operator conducted by your staff. Thank you for the courtesies extended to Mr. Glynn Blanton, PHMSA State Programs, by your staff.

As mentioned in my letter last year, passage of Washington (WA) State's Underground Utilities Damages Prevention Act of 2011 is a positive step for the State in meeting several of the nine elements of an effective damage prevention program. We understand your organization has recently conducted public meetings with local contractors and other stake holders on awareness of the legislative changes. Thank you for your pro-active initiatives in hosting these meetings and development of a newsletter to keep the public informed as you move to implement enforcement and reporting requirements for damages that occur to underground facilities.

PHMSA appreciates the contributions to pipeline safety by Mr. David Lykken who serves on the American Public Gas Association Security and Integrity Foundation as a board member and his participation in the ASME B31 Q and National Association of Pipeline Safety Representatives (NAPSR) Pipeline Informed Planning Alliance (PIPA) committees. Other WUTC staff members who are making a difference in pipeline safety include Mr. Kuang Chu and Mr. Joe Subsits who serve on the ASME B31.4/11 Liquid and Slurry Piping and NAPSR Gas Integrity Management Program/Protocol committees. These professional individuals are helping to make changes in pipeline safety regulations and improving the safe transportation of gas and hazardous liquids by pipelines.

Based on the evaluation and the validation of WUTC Progress Report information, it appears the pipeline safety program is generally complying with PHMSA's requirements. As a result of this evaluation, I would like to bring the following items to your attention:

1. A review of CY2011 WUTC Hazardous Liquid inspection reports and other related information found the minimum number of inspection person day requirement, eighty-five, was not met. Each full-time pipeline safety inspector must devote a minimum of 85 inspection person-days to pipeline safety compliance activities each calendar year. Failure to meet this requirement resulted in a loss of five grant allocation points and associated grant funding from the Hazardous Liquid safety program.
2. In your response letter dated August 29, 2011, I was encouraged Puget Sound Energy (PSE) had filed with WUTC a proposal for accelerated cost recovery of their pipeline replacement costs for bare steel pipelines. You mentioned, "This filing and matter has been set for hearing". I am interested in knowing the outcome of the hearing and final decision rendered by the WUTC. Please provide information on this decision including any changes to the original proposed completion date of 2014 and estimated number of miles that will be replaced each year.
3. I understand the WUTC is actively interviewing potential candidates to fill the vacant position created by the departure of one of your pipeline safety engineers. We appreciate this action and encourage you to select a candidate within a reasonable time to maintain the highly professional staff we have observed in the past. As you are aware, the candidate will need to attend the mandatory Training and Qualification (TQ) courses within three years after attending the first TQ course in Oklahoma City, Oklahoma. The use of Federal funds for training is an allowable cost to the pipeline safety grant.
4. Changes in rulemaking and other related items will continue to impact the WUTC pipeline safety programs. We appreciate WUTC's action in monitoring the operator's effectiveness in meeting the Public Awareness and Control Room Management Rules during this year's inspection visits instead of waiting until calendar year 2013.

Please provide your comments regarding the above items 1 and 2 above within 60 days of your receipt of this letter to avoid losing performance points in next year's evaluation. The response should be addressed to me at the following address: 6500 South MacArthur, Building MPB Room 335, Route PHP-70, Oklahoma City, OK 73169.

Thank you for your contributions and continuing support of the pipeline safety program.

Sincerely,



Zach Barrett  
Director State Programs  
Office of Pipeline Safety

cc: David Lykken, Director, Pipeline Safety, WUTC  
Chris Hoidal, Western Region Director, PHP-500, PHMSA