



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

August 29, 2011

Mr. Zach Barrett
Director, State Programs
Pipeline and Hazardous Material Safety Administration
6500 S. MacArthur Bldg MPB RM 335
Route PHP-70
Oklahoma City, OK 73169

Dear Mr. Barrett:

Thank you for your letter dated August 8, 2011, detailing the results of the evaluation of the Utilities and Transportation Commission (UTC) Pipeline Safety Program. I appreciate your recognition of our Pipeline Safety program and staff's active participation on various technical committees and task teams. I too am pleased with the recent enactment of E2SHB 1634. It should strengthen our educational and enforcement efforts to prevent third party damage. Indeed, we are pleased to report that there has been a substantial increase in registrations for UTC-sponsored contractor training as we prepare for the implementation of the new law. That new legislation is just part of the State's, and the UTC's, commitment to the national pipeline safety effort. We will continue to participate in activities that enhance the working relationship between the States and the Pipeline and Hazardous Material Safety Administration (PHMSA).

Per your request, here is our response to each of the items raised in your letter.

1. The UTC has not met the time frame to complete the required courses for natural gas inspection qualifications for one of its engineer's.

The engineer in question is registered for the one course identified during the program valuation as not meeting the required timeframe. PHMSA Training & Qualifications has scheduled the course for the week of May 7, 2012. This engineer is well-qualified for her position and has been involved in various natural gas safety inspections, with no issues being raised about the quality of her work. However, we did miss the required time frame for the training, and we have corrected that deficiency.

- 2. Operator Qualification (OQ) forms were not uploaded into the PHMSA database upon completion of two hazardous liquid inspections.**

Additional quality assurance measures have been implemented by the chief pipeline safety engineer to ensure that all OQ field validation forms generated by UTC inspection staff are uploaded into the PHMSA OQ database.

- 3. A PHMSA Integrity Management Program (IMP) inspection form was not uploaded into the PHMSA IMP database.**

Additional quality assurance measures have been implemented by the chief pipeline safety engineer to ensure that all IMP field validation forms generated by UTC inspection staff are uploaded into the PHMSA IMP database.

- 4. PHMSA encourages the UTC to have Puget Sound Energy (PSE) accelerate the replacement of the remaining bare steel pipelines in their gas distribution system.**

PSE has replaced over 318 miles of cast iron and bare steel pipeline in its gas system. The company uses comprehensive risk model to determine *segment* replacement priority based on factors such as prior leak history, type of corrosion, exposed pipe condition reports, proximity to business districts, proximity to high occupancy structures, and other factors necessary to ensure public safety. The model also uses a program to periodically review and make adjustments where necessary to the prioritization schedule. The company has migrated this replacement program into its Distribution Integrity Management Program.

I personally, along with UTC staff, have been involved in discussions with PSE about accelerating pipe replacement in general, and bare steel pipe in particular. Those discussions continue and include discussions of whether, consistent with the company's and the UTC's safety goals, we would rather see the company put its financial resources into other areas which may prove a higher priority based on their threat identification and risk assessment program. Please be assured that these conversations and evaluations will continue in the coming months. Also, it may of interest that PSE has filed with the Commission a proposal for accelerated cost recovery of pipeline replacement costs, and that matter has been set for hearing.

- 5. PHMSA urges the UTC to expedite the inventory and site visits of potential master meter (MM) operators located in the State.**

Over the past year, UTC pipeline engineers have worked to further develop our MM inspection program. This effort involves identifying potential candidates and conducting initial site visits to determine whether the UTC has jurisdiction and, at least on a preliminary basis, to prioritize the work on that site. Our engineers conduct these reviews as noted in the annual work plan and perform additional reviews as time allows.

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For CY2011, we have targeted centers of higher education and public housing authorities.

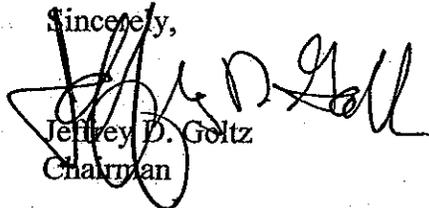
6. **PHMSA encourages UTC staff to complete PHMSA T&Q training requirements for Distribution Integrity Management programs (DIMP) Control Room Management (CRM), and Public Awareness Effectiveness (PAE) as soon as possible.**

UTC staff are scheduled for the training courses noted above as follows:

- **DIMP:** Two engineers attended this course the week of August 22.
- **CRM:** Three engineers are scheduled to attend this course the week of October 24.
- **PAE:** Two engineers completed this course August 9 & 10 and a third will attend on September 13 & 14.

Thank you and Mr. Glynn Blanton for the courteous and professional manner demonstrated during the audit process. Should you have additional questions, please contact David Lykken at (360) 664-1219.

Sincerely,



Jeffrey D. Goltz
Chairman

cc: Glynn Blanton, PHMSA - State Programs
Chris Hoidal, PHMSA - Western Region
✓ David Lykken, UTC Pipeline Safety Director

