



STATE OF WASHINGTON
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION
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CERTIFIED MAIL

November 7, 2012

Eric Martuscelli
Vice President-Operations
Cascade Natural Gas Corporation
8113 W. Grandridge Blvd.
Kennewick, WA 99336

Dear Mr. Martuscelli:

RE: 2012 Operations and Maintenance Manual Review Inspection – Cascade Natural Gas (CNG) – Kennewick, WA.

Staff from the Washington Utilities and Transportation Commission (staff) conducted a review of Cascade Natural Gas Corporation's natural gas Operations and Maintenance manual (O&M) from October 16-18, and 23, 2012. The inspection included a review of O&M manuals necessary to establish compliance with 49 CFR Part 191,192 and WAC 480-93.

Our inspection indicates two probable violations as noted in the enclosed report.

Your response needed

Please review the attached report and respond in writing by December 10, 2012. The response should include how and when you plan to address the probable violations.

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 81.88.040, or;

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- Institute a complaint, seeking monetary penalties, changes in the company's practices, or other relief authorized by law, and justified by the circumstances, or;
- Consider the matter resolved without further commission action.

We have not yet decided whether to pursue a complaint or penalty in this matter. Should an administrative law judge decide to pursue a complaint or penalty, your company will have an opportunity to present its position directly to the commissioners.

If you have any questions, or if we may be of any assistance, please contact Lex Vinsel at (360) 664-1319. Please refer to the subject matter described above in any future correspondence pertaining to this inspection.

Sincerely,



David D. Lykken
Pipeline Safety Director

Enclosure

cc: Steve Kessie, Manager-Operations Services, CNG
Tina Beach, Manager of Standards & Compliance, CNG

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION
2012 Operations and Maintenance Manual Review Inspection
Cascade Natural Gas Corporation – Kennewick, WA

The following probable violations of WAC 480-93-180 were noted as a result of the inspection of the Cascade Natural Gas Corporations (CNG), Operations and Maintenance manual (O&M).

PROBABLE VIOLATIONS

1. WAC 480-93-180 Plans and Procedures.

(1) *Each gas pipeline company must have and follow a gas pipeline plan and procedures manual (manual) for operation, maintenance, inspection and emergency response activities that is specific to the gas pipeline company's system. The manual must include plans and procedures for meeting all applicable requirements of 49 CFR §§ 191, 192 and chapter 480-93 WAC, and any plans or procedures used by gas pipeline company's associated contractors.*

WAC 480-93-200 Reporting requirements (10) When a gas pipeline company is required to file a copy of a DOT Drug and Alcohol Testing Management Information System (MIS) Data Collection Form with the U.S. Department of Transportation, Office of Pipeline Safety, the gas pipeline company must simultaneously submit a copy of the form to the commission.

Finding(s):

CNG does not include a procedure to submit a copy of the MIS form to the commission in Procedure CP 72-D Rev 08/02/2007. CNG is currently revising this procedure to incorporate this requirement.

2. WAC 480-93-180 Plans and Procedures.

(1) *Each gas pipeline company must have and follow a gas pipeline plan and procedures manual (manual) for operation, maintenance, inspection and emergency response activities that is specific to the gas pipeline company's system. The manual must include plans and procedures for meeting all applicable requirements of 49 CFR §§ 191, 192 and chapter 480-93 WAC, and any plans or procedures used by gas pipeline company's associated contractors.*

49 CFR 192.631 Control Room management (c)(2) Conduct a point-to-point verification between SCADA displays and related field equipment when field equipment is added or moved and when other changes that affect pipeline safety are made to field equipment or SCADA displays;

Finding(s):

CNG uses WBI Energy Transmission, Inc., for control room management and their Gas Control Manual; Rev August 2012 does not contain a procedure for conducting a point-to-point verification between SCADA displays and related equipment when changes that affect pipeline safety are made.