



8113 W. GRANDRIDGE BLVD., KENNEWICK, WASHINGTON 99336-7166

TELEPHONE 509-734-4500 FACSIMILE 509-737-9803

November 6, 2014

David Lykken- Director of Pipeline Safety Program
State of Washington Utilities and Transportation Commission
1300 S Evergreen Park Dr. SW
P.O. Box 47250
Olympia, WA 98504-7250

RECEIVED
NOV 06 2014
State of Washington
UTC
Pipeline Safety Program

RE: Response to Letter "2014 MAOP Exceedance and Unintentional Release of Gas at Regulator Station R-28, Wapato, WA – (Insp. No. 6089)" Dated October 6, 2014

Dear Mr. Lykken,

This letter is in response to your letter dated October 6, 2014 addressing the Washington Utilities and Transportation Commission Staff ("Staff") investigation of the February 22, 2014 federally reportable incident at Cascade Natural Gas Corporation (CNGC) pressure regulator station (R-28) in Wapato WA. Staff identified two areas involving probable violations of WAC 480-93-200 (reporting requirements) and WAC 480-93-180 (plans and procedure). For ease of reference, we have copied Staff's Probable Violations, below, followed by CNGC's response to the alleged probable violations:

STAFF'S ALLEGED PROBABLE VIOLATIONS:

PROBABLE VIOLATIONS

1. **WAC 480-93-200 Reporting Requirements.**

- (2) *Each gas pipeline company must give notice to the commission by telephone using the emergency notification line (see WAC 480-93-005(8)) within twenty-four hours of each incident or hazardous condition arising out of its operations that results in:*
- (a) *The uncontrolled release of gas for more than two hours;*
 - (b) *The taking of a high pressure supply or transmission pipeline or a major distribution supply gas pipeline out of service;*
 - (c) *A gas pipeline operating at low pressure dropping below the safe operating conditions of attached appliances and gas equipment; or*
 - (d) *A gas pipeline pressure exceeding the MAOP.*

Finding(s):

CNG did not notify the UTC within 24 hours as required by WAC 480-93(2)(d). CNG field personnel knew of the MAOP event on the day it occurred, February 22, 2014. However, the appropriate CNG personnel responsible for notifying the UTC found out 4 days later after reviewing the pressure chart from R-28 from the previous week. Then WUTC was notified. UTC believes, there should not have been a gap between the actual event and notification to UTC. CNG needs to explain how this type of occurrence will not happen in the future.

Cascade Response:

CNGC recognizes there should not have been a gap of 4 days for the reporting of the gas pipeline exceeding MAOP. CNGC is committed to operating a safe and reliable system and adhering to all laws and regulations governing pipeline safety. CNGC would like to emphasize that both the system and first responder performed in a safe and correct manner with respect to the over pressure resulting in the blowing relief. The pressure relief at this station functioned as it should in relieving the pressure on the system. The CNGC employee responding to the blowing relief followed procedure in the identification of the problem as well as with the repair to bring the station back into the proper operating pressure. As a result, system safety was not compromised.

The employee responding to the February 22, 2014 blowing relief incident did not initially recognize that the blowing relief was an indicator of a potential MAOP exceedance. Her focus was on making the appropriate repairs to bring the system back to the correct operating pressure and controlling the relief. Because of the failure to recognize the potential MAOP exceedance, the pressure chart was not reviewed. This delayed notification until it was discovered on February 26, 2014 following the scheduled pressure chart change. Once the MAOP exceedance was recognized, proper channels were followed and it was promptly reported to the WUTC.

To ensure that this kind of situation does not reoccur, CNGC formally disciplined this employee on February 27, 2014 and provided retraining to this employee on March 4, 2014. In addition, the Yakima district conducted mock drill training for all appropriate personnel on April 17, 2014 simulating an over-pressure event of a regulator station. CP 735 is one of the procedures that are reviewed annually in each district.

STAFF'S ALLEGED PROBABLE VIOLATIONS:

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

(1) Each gas pipeline company must have and follow a gas pipeline plan and procedure 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 a gas pipeline company's associated contractors.

(2) The manual must be filed with the commission forty-five days prior to the operation of any gas pipeline. Each gas pipeline company must file revisions to the manual with the commission annually. The commission may, after notice and opportunity for hearing, require that a manual be revised or amended. Applicable portions of the manual related to a procedure being performed on the pipeline must be retained on-site where the activity is being performed.

(3) The manual must be written in detail sufficient for a person with adequate training to perform the tasks described. For example, a manual should contain specific, detailed, step-by-step instructions on how to maintain a regulator or rectifier, conduct a leak survey or conduct a pressure test

Finding(s):

CNG did not follow their company procedures (CP) in investigating this incident as noted below:

CP 735.054

In the event a pressure chart indicates the pressure in the system exceeded (by any increment) the MAOP of the system, the District will take the following actions immediately:

- a. *Check the calibration of the chart and **note the (actual system pressure and the corresponding chart reading on the back of the chart.***
- b. *Review other charts that are reading the same system.*
- c. ***Notify the Safety and Engineering Department of the chart reading and actual system pressure.***
- d. *Re-calibrate the pressure chart if required.*
- e. *If actual system pressure exceeded MAOP, perform regulator maintenance (per CP 745) on each station that feeds gas to the system. Maximum regulator lockup pressures are listed in the file: S: \System Design Data\Reg Set Points.xls. Ensure the regulators are set to lock up at or below the pressures listed.*

CP 735.055

If actual system pressure exceeded MAOP, Safety and Engineering shall take appropriate action in reporting the event to the UTC or OPUC per CP 720 and CP 780.

CP 735.056

Any abnormality which is observed on the chart--whether due to unusual change in pressure, clock operation, outside influences, etc. is to be noted and explained on the chart.

Finding(s):

CNG did not note the actual system pressure and corresponding chart reading recorded on the back of the chart per CP 735.054(a).

CNG did have another pressure recording chart in this system located at Sonoco Products, 31 Industrial Park Rd, Wapato, WA. This chart recorded system pressure at 62 psi. R-28 recorded 64 psi. There is a 2 lb difference in between the two chart recorders for the same system. The charts (Sonoco and R-28) do not have any explanation as to the abnormalities (exceedance of MAOP) as required by CP 735.056.

Additionally, CP 735.054 (c) requires notification to CNG's Safety and Engineering Department. It appears that this did not occur and that UTC did not get notified per CP 735.055. Although subpart (c) does not specify when to notify Safety and Engineering, given the reporting requirements to UTC for exceedance of MAOP are either 2 hours or 24 hours, that would suggest an immediate notification to be able to comply with the WAC. However, UTC did not receive notification until 4 days after the incident occurred.

CNGC Response:

CNGC acknowledges that field personnel did not note the proper information on the back of the R-28 or Sonoco pressure charts as required in CP 735.056 (a). CNGC is addressing this through retraining of the employee involved with this incident. CNGC continues to emphasize to employees throughout the company the need to properly document information and to follow proper notification procedure in accordance with CPs if pressure exceeds MAOP. CNGC has conducted trainings on proper documentation and notification and will continue to do so.

CNGC's Standards and Compliance (Safety and Engineering) and Engineering Departments were notified by the district as soon as the MAOP exceedance was recognized. CNGC's Standards and Compliance Department then reported the incident to WUTC within 24 hours of Yakima district's notification to the Standards and Compliance Department.

Please contact Mike Eutsey at (509)734-4576 with questions or comments.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Eric Martuscelli', is written above a solid red horizontal line.

Eric Martuscelli,
Vice President, Operations
Cascade Natural Gas Corporation