



STATE OF 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

CERTIFIED MAIL

November 5, 2015

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

Dear Mr. Martuscelli:

RE: 2015 Natural Gas Pipeline Safety Standard Inspection – Cascade Natural Gas Corporation, Kennewick – (Insp. No. 6214)

Staff from the Washington Utilities and Transportation Commission (staff) conducted a Natural Gas Pipeline Safety Standard Inspection from October 5, 2015 to October 22, 2015, of Cascade Natural Gas Corporation's (CNGC) Kennewick, WA unit. The inspection included records review and inspection of the pipeline facilities.

Our inspection indicates a series of three probable code violation(s) as noted in the enclosed report. These series of violations include multiple sites for each code cited in the enclosed report.

Your response needed

Please review the attached report and respond in writing by December 8, 2015. The response should include how and when you plan to bring the probable violations into full compliance.

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;

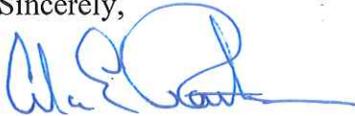
Cascade Natural Gas Corporation
2015 Natural Gas Pipeline Safety Standard Inspection, Kennewick
November 5, 2015
Page 2

- 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 Scott Rukke at (360) 664-1241. Please refer to the subject matter described above in any future correspondence pertaining to this inspection.

Sincerely,



Alan E. Rathbun
Pipeline Safety Director

cc: Steve Kessie, Director Operation Services, CNGC
Jeremy Ogden, Director Engineering Services, CNGC
Mike Eutsey, Manager Standard and Compliance, CNGC
Kevin McCallum, Pipeline Safety Specialist, CNGC

UTILITIES AND TRANSPORTATION COMMISSION
2015 Natural Gas Pipeline Safety Inspection
Cascade Natural Gas, Kennewick WA

The following probable violation(s) of Title 49 CFR Part 192 and WAC 480-93 were noted as a result of the 2015 inspection of the Cascade Natural Gas Corporation, Kennewick unit. The inspection included a random selection of records, operation and maintenance (O&M), emergency response, inventory, and field inspection of the pipeline facilities.

PROBABLE VIOLATIONS

1. **49 CFR §192.465 External corrosion control: Monitoring.**
 - (a) *Each pipeline that is under cathodic protection must be tested at least once each calendar year, but with intervals not exceeding 15 months, to determine whether the cathodic protection meets the requirements of §192.463. However, if tests at those intervals are impractical for separately protected short sections of mains or transmission lines, not in excess of 100 feet (30 meters), or separately protected service lines, these pipelines may be surveyed on a sampling basis. At least 10 percent of these protected structures, distributed over the entire system must be surveyed each calendar year, with a different 10 percent checked each subsequent year, so that the entire system is tested in each 10-year period.*

Finding(s):

Records indicate that the following areas exceeded 15 months between cathodic protection test site surveys during the 2015 survey:

- a. **Burbank:** Surveyed on 03/14/2014 and again on 07/23/2015. (21 test sites in 2014)
- b. **Finley/Sandvik:** Surveyed on 03/13/2014 and again on 06/22/2015. (14 test sites in 2014)
- c. **Kennewick:** Surveyed on 03/12/2014 and again on 06/17/2015 – 6/19/2015. (61 test sites in 2014)
- d. **Pasco:** Surveyed on 03/11/2014 and again on 07/21/2015 – 07/23/2015. (91 test sites in 2014)
- e. **Paterson/Plymouth:** Surveyed on 03/11/2014 and again on 06/12/2015. (9 test sites in 2014)
- f. **Richland:** Surveyed on 03/13/2014 and again on 06/15/2015 – 06/17/2015. (69 test sites in 2014)

The total number of 2015 test sites that went past the maximum 15 month timeframe is 256 (based on the number of 2014 sites surveyed). For the purposes of WAC 480-93-223, each of these test sites is considered a separate violation and is not inclusive of the number of days each violation existed.

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 C.F.R. §§ 191, 192 and chapter 480-93 WAC, and any plans or procedures used by a gas pipeline company's associated contractors.*

Finding(s):

WAC 480-93-110(9) requires that each gas pipeline company have a written atmospheric corrosion control monitoring program and that the program have time frames for completing remedial action.

CNG procedure 754.041 requires that odorization stations be inspected for atmospheric corrosion annually, not to exceed 15 months and CNG procedure 754.046 requires that necessary remedial action be completed by the next survey.

CNG did not follow their written procedures for atmospheric corrosion remedial action on the following facilities:

- a. **Odorizer station O-1 located at South Finley Rd:** Inspected on 05/16/2011 and noted that it needs sandblasting, paint and wrap. No work order generated. Followup required, marked as yes.

Inspected on 05/04/2012 and noted that it needs sandblasted and paint. Work order #5428637066 generated. Follow up required, marked as yes.

Inspected on 05/15/2013 and noted that it needs sandblasted and paint. Same work order number from 2012 noted on inspection form. Follow up required, marked as yes.

Inspected on 05/23/2014 and noted that it needs sandblasting and paint. Same work order number from 2012 noted on inspection form. Follow up required, marked as yes.

Inspected on 05/23/2015 and noted that it needs sandblasting and paint. Same work order number from 2012 noted on inspection form. Follow up required, marked as yes.

- b. **Odorizer station O-2 located at South Lechett Rd:** Inspected on 06/01/2011 and noted that it needs sandblasting and paint. No work order generated. Follow up required, marked as no.

Inspected on 06/21/2013 (no notes for 2012 inspection) and noted that it needs sandblasting and paint. No work order generated for paint. Follow up required, marked as yes (possibly for a bad liquid level gauge).

Inspected on 06/24/2014 and noted that it needs sandblasting and paint. No work order generated for paint. Follow up required, marked as yes (possibly for a bad level gauge).

Inspected on 07/21/2015 and noted that it needs sandblasting, paint and wrap. No work order generated for paint. Follow up required, marked as yes (possibly for a bad liquid level gauge).

3. **WAC 480-93-188 Gas leak surveys.**

- (3) *Each gas pipeline company must conduct gas leak surveys according to the following minimum frequencies:*
- (b) *High occupancy structures or areas - At least once annually, but not to exceed fifteen months between surveys;*

WAC 480-93-005 Definitions.

- (14) *"High occupancy structure or area" means a building or an outside area (such as a playground, recreation area, outdoor theater, or other place of public assembly) that is occupied by twenty or more persons on at least five days a week for ten weeks in any twelve-month period. (The days and weeks need not be consecutive.)*

Finding(s):

The following High Occupant Structures (HOS) were not leak surveyed annually:

- a. **Pasco:** 4115 W. Henry St. Church with attached school.
Meter number 578429.
Records indicate that this is not on CNG's annual Public Building Inspection (PBI) leak survey list.
- b. **Kennewick:** 2001 W. Kennewick Ave. First Presbyterian Church.
Meter number 292325.
Records indicate that this is not on CNG's annual Public Building Inspection (PBI) leak survey list.
CNG personnel also indicated that this was identified in 2007 as needing to be included on their PBI annual leak survey but it was never added.
- c. **Kennewick:** 300 S. Quincy St. Church.
Meter number 575828
Records indicate that this is not on CNG's annual Public Building Inspection (PBI) leak survey list.
- d. **Pasco:** 6001 Road 84. Maya Angelou Elementary School.
Records indicate that this is not on CNG's annual Public Building Inspection (PBI) leak survey list.

Staff would like to note that in previous conversations, (PG-110006, findings letter dated January 27, 2012) CNG personnel indicated that they consider all churches to meet the definition of a High Occupancy Structure. This was done to avoid having to determine whether the structure was occupied by twenty or more persons on at least five days a week for ten weeks in any twelve-month period.