



STATE OF WASHINGTON

UTILITIES AND TRANSPORTATION COMMISSION

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CERTIFIED MAIL

October 7, 2016

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

Dear Mr. Martuscelli:

RE: 2016 Natural Gas Standard Inspection – Cascade Natural Gas Corporation - Walla Walla District (Insp. No. 6777)

Staff from the Washington Utilities and Transportation Commission (staff) conducted a Natural Gas Standard inspection from August 1 to 4, 2016, of Cascade Natural Gas Corporation's (CNGC) Walla Walla District. The inspection included a records review and inspection of the pipeline facilities.

Our inspection indicates five (5) series of probable violations as noted in the enclosed report.

Your response needed

Please review the attached report and respond in writing by November 9, 2016. 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 81.04.405; or

- Issue a complaint under RCW 81.88.040, seeking monetary penalties, changes in the company's practices, or other relief authorized by law, and justified by the circumstances. Any pipeline company that violates any pipeline safety provision of any commission order, or any rule in this chapter including those rules adopted by reference, or chapter 81.88 RCW is subject to a civil penalty not to exceed two hundred thousand dollars for each violation for each day that the violation persists. The maximum civil penalty for a related series of violations is two million dollars; or
- Consider the matter resolved without further commission action.

We have not yet decided whether to pursue a penalty or complaint in this matter. Should the commission decide to assess a penalty or initiate a complaint, your company will have an opportunity to respond and formally present its position.

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

Enclosure

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

**UTILITIES AND TRANSPORTATION COMMISSION
2016 Natural Gas Pipeline Safety Standard Inspection
Cascade Natural Gas Corporation, Walla Walla District**

The following probable violations of Title 49 CFR Part 192 and WAC 480-93 were noted as a result of the 2016 inspection of the Cascade Natural Gas Corporation, Walla Walla District. 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 §192.723 Distribution systems: Leakage surveys**

(b) *The type and scope of the leakage control program must be determined by the nature of the operations and the local conditions, but it must meet the following minimum requirements:*

(1) *A leakage survey with leak detector equipment must be conducted in business districts, including tests of the atmosphere in gas, electric, telephone, sewer, and water system manholes, at cracks in pavement and sidewalks, and at other locations providing an opportunity for finding gas leaks, at intervals not exceeding 15 months, but at least once each calendar year.*

Finding(s):

CNG's leak survey maps indicate that leak surveys for the following business district pipeline facilities exceeded 15 months between surveys and that they were not conducted once each calendar year as required:

- a. **403 10th Ave S, Walla Walla.** Surveyed on 4/28/2014 and again on 7/6/2016.
- b. **501 S. 7th Ave, Walla Walla.** Surveyed on 4/28/2014 and again on 7/6/2016.
- c. **164 S. 7th Ave, Walla Walla.** Surveyed on 4/28/2014 and again on 7/6/2016.
- d. **405 W. Main St, Walla Walla.** Surveyed on 4/28/2014 and again on 7/6/2016.
- e. **420 W. Main St, Walla Walla.** Surveyed on 4/28/2014 and again on 7/6/2016.
- f. **401 W. Main St, Walla Walla.** Surveyed on 4/28/2014 and again on 7/6/2016.
- g. **223 W. Poplar St, Walla Walla.** Surveyed on 4/28/2014 and again on 7/6/2016.
- h. **228 W. Poplar St, Walla Walla.** Surveyed on 4/28/2014 and again on 7/6/2016.
- i. **216 W. Poplar St, Walla Walla.** Surveyed on 4/28/2014 and again on 7/6/2016.
- j. **209 W. Poplar St, Walla Walla.** Surveyed on 4/28/2014 and again on 7/6/2016.

Note:

It was not determined at the time of this inspection whether this was a record keeping issue or whether the surveys were actually not completed.

2. **49 CFR §192.723 Distribution systems: Leakage surveys**

(b) *The type and scope of the leakage control program must be determined by the nature of the operations and the local conditions, but it must meet the following minimum requirements:*

- (2) *A leakage survey with leak detector equipment must be conducted outside business districts as frequently as necessary, but at least once every 5 calendar years at intervals not exceeding 63 months...*

Finding(s):

CNG's leak survey maps indicate that leak surveys for the following residential area pipeline facilities exceeded 63 months between surveys and that they were not conducted once every 5 calendar years as required:

- a. **613 E. Pleasant St, Walla Walla.** Surveyed on 05/27/2009 and again on 7/6/2016. (No 2009 maps available, records indicate this was the last survey date)
- b. **404 S. 2nd Ave, Walla Walla.** Surveyed on 05/27/2009 and again on 7/6/2016. (No 2009 maps available, records indicate this was the last survey date)
- c. **410 S. 2nd Ave, Walla Walla.** Surveyed on 05/27/2009 and again on 7/6/2016. (No 2009 maps available, records indicate this was the last survey date)
- d. **353 S. Park St, Walla Walla.** Surveyed on 05/27/2009 and again on 7/6/2016. (No 2009 maps available, records indicate this was the last survey date)
- e. **521 S. Park St, Walla Walla.** Surveyed on 05/27/2009 and again on 7/6/2016. (No 2009 maps available, records indicate this was the last survey date)
- f. **523 S. Park St, Walla Walla.** Surveyed on 05/27/2009 and again on 7/6/2016. (No 2009 maps available, records indicate this was the last survey date)
- g. **514 Washington St, Walla Walla.** Surveyed on 05/27/2009 and again on 7/6/2016. (No 2009 maps available, records indicate this was the last survey date)
- h. **365 Ransom Rd, Walla Walla.** Surveyed on 05/27/2009 and again on 7/6/2016. (No 2009 maps available, records indicate this was the last survey date)
- i. **467 Ransom Rd, Walla Walla.** Surveyed on 05/27/2009 and again on 7/6/2016. (No 2009 maps available, records indicate this was the last survey date)
- j. **416 Chase St, Walla Walla.** Surveyed on 04/07/2010 and again on 7/6/2016. (04/07/2010 date supplied by CNG per email on 8/26/16)
- k. **439 Chase St, Walla Walla.** Surveyed on 04/07/2010 and again on 7/6/2016. (04/07/2010 date supplied by CNG per email on 8/26/16)
- l. **260 Chase St, Walla Walla.** Surveyed on 04/07/2010 and again on 7/6/2016. (04/07/2010 date supplied by CNG per email on 8/26/16)
- m. **448 Chase St, Walla Walla.** Surveyed on 04/07/2010 and again on 7/6/2016. (04/07/2010 date supplied by CNG per email on 8/26/16)

Note:

It was not determined at the time of this inspection whether this was a record keeping issue or whether the surveys were actually not completed.

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

- (4) *Each gas pipeline company must conduct special leak surveys under the following circumstances:*
- (e) *After third-party excavation damage to services, each gas pipeline company must perform a gas leak survey from the point of damage to the service tie-in.*

Finding(s):

CNG Leak Work Order 209555, located at 267 Whistling Duck in Walla Walla, indicates that a leak repair was made on 03/04/2014 after third party excavation damage. The leak work order does not indicate that a gas leak survey was conducted from the point of damage to the service tie-in.

4. **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;*

Finding(s):

Records indicate that the service to a High Occupancy Structure (HOS) located at 901 SE Larch Ave in College Place was leak surveyed on 05/08/2015 but the right-of-way in front of the HOS was not included in the survey. This HOS including the right-of-way was surveyed in 2014 and 2016.

Note:

As was noted in the findings of the 2011 Walla Walla inspection, Docket PG-110006, it is the intent of WAC 480-93-188(3)(b) to include any facilities in the surrounding rights of way during a HOS gas leak survey.

5. **49 CFR §192.619 Maximum allowable operating pressure - Steel or plastic pipelines**

- (a) *No person may operate a segment of steel or plastic pipeline at a pressure that exceeds a maximum allowable operating pressure determined under paragraph (c) or (d) of this section, or the lowest of the following:*
 - (3) *The highest actual operating pressure to which the segment was subjected during the 5 years preceding the applicable date in the second column. This pressure restriction applies unless the segment was tested according to the requirements in paragraph (a)(2) of this section after the applicable date in the third column or the segment was uprated according to the requirements in subpart K of this part:*

<i>Pipeline Segment</i>	<i>Pressure Date</i>	<i>Test Date</i>
<i>All other pipelines.</i>	<i>July 1, 1970</i>	<i>July 1, 1965</i>

Finding(s):

CNG has a coated 2-inch steel main located at Spring and Maple in Walla Walla that records indicate was installed in November of 1956. CNG does not have pressure test records for this pipeline. CNG indicated that this pipeline operated at a high of 38 psig in the 5 year window prior to July 1, 1970. CNG indicated that this pipeline was uprated to 60 psig in late 1996 or early 1997 but was unable to provide uprate records that would substantiate a 60 psig MAOP.

With no pressure test or uprate records and per the requirements 49 CFR 192.619, this pipeline would have an MAOP of 38 psig. At the time of this inspection the pipeline was operating at approximately 57 psig.