



U.S. Department of Transportation

Pipeline and Hazardous Materials  
Safety Administration

1200 New Jersey Ave., SE  
Washington, DC 20590

August 24, 2012

**OVERNIGHT EXPRESS MAIL**

Mr. David Lykken  
Director, Pipeline Safety  
Washington Utilities and Transportation Commission  
1300 South Evergreen Park Drive, SW  
P.O. Box 47250  
Olympia, WA 98502

RECEIVED  
AUG 27 2012  
State of Washington  
UTC  
Pipeline Safety Program

Dear Mr. Lykken:

Sections 60105(e) and 60106(d) of the Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011 (Act) provide for the monitoring of State pipeline safety programs by the Pipeline and Hazardous Materials Safety Administration (PHMSA). This annual monitoring is to ensure compliance with the Act requirements for State pipeline safety programs and provides information for determining the State's total point award for the PHMSA pipeline safety grant for next year.

On June 4-8, 2012, the Washington Utilities and Transportation Commission (WUTC) CY 2011 Pipeline Safety Program activities, training, and other relative information were evaluated by Mr. Glynn Blanton, PHMSA Office of State Programs. As part of the evaluation, the annual Progress Report documents submitted to PHMSA were validated for accuracy. Additionally, our State Evaluator, Mr. Glynn Blanton, observed an on-site field inspection of Olympic Pipe Line Company and Cascade Natural Gas on June 18-22, 2012. Thank you for the courtesies extended to Mr. Glynn Blanton by your staff during the evaluation.

I would like to express PHMSA's appreciation for your valuable service and participation as a board member of the American Public Gas Association's Security and Integrity Foundation and your contribution in the ASME B31 Q and National Association of Pipeline Safety Representatives (NAPSR) Pipeline Informed Planning Alliance (PIPA) committees. Your input is very important in making suggested changes in regulations and standards for all parties. We look forward to future comments you may have on damages that occur on all underground facilities as Washington State operators start filing this information to WUTC in January, 2013. As you know, the number one cause of incidents to pipelines is third party damages.

Based on our evaluation the WUTC is generally complying with the requirements for State pipeline safety programs. Our exit briefing discussed the items for improving the pipeline safety program included in my letter to Chairman Goltz. You were copied on the Chairman's letter requesting a response to the issues within 60 days of receipt of the letter to avoid a point reduction in next years' evaluation. Additionally, please send me and Mr. Don Martin a PDF of the Chairman's signed response letter to zach.barrett@dot.gov and don.martin@dot.gov.

Other areas which require additional attention to strengthen your program include the following:

1. No points were deducted for the following items, but it is recommended WUTC address the items listed below.

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- a. WUTC Natural Gas and Hazardous Liquid Progress Reports for Interstate Transmission and Petroleum Products, Attachment 1, should be listed as "X/IA - Interstate Agent jurisdiction over this type of operator" not X/60106. Please make note of this item and record this classification in future Progress Report filings.
- b. A review of Attachment 8 of the 2011 Natural Gas & Hazardous Liquid Base Grant Progress Reports applies to State compliance with Federal requirements on adoption of statutes. This section has a score of 2 grant allocation points. It was noted during the review and mentioned in last year's letter; the civil penalty amount for section 198 (h) was shown as, "adopted and civil penalty/ injunctive relief is substantially the same as DOT". However, Washington State Law, Title 19, Chapter 19.122.070 states ... "any person who violates any provision of this chapter not amounting to a violation of RCW 19.122.055 and which violation results in damage to underground facilities, is subject to a civil penalty of not more than one thousand dollars for each violation". The State statute number and description should be recorded in the Note section of Attachment 8 in future filing of the Progress Reports.

The grant funding is based on accurate completion of the annual Progress Report and the State performance score from this evaluation. Attention to these two important items will help to assure your eligibility for maximum grant funding.

Thank you again for your courtesies and assistance in making available your time, staff, documents, and other relative information during this annual State program evaluation. I appreciate your continuing commitment to the pipeline safety program.

Sincerely,



Zach Barrett  
Director State Programs  
Office of Pipeline Safety

cc: Glynn Blanton, State Programs Evaluator, PHP-50, PHMSA  
Chris Hoidal, Western Region Director, PHP-500, PHMSA