



STATE OF WASHINGTON
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION
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CERTIFIED MAIL

April 30, 2012

Jason Thackston
Vice President, Energy Delivery
Avista Utilities Corporation
1411 E. Mission, P.O. Box 3727
Spokane, WA 99220-3727

Dear Mr. Thackston:

Re: 2012 Operations and Maintenance Manual Inspection-Avista-HQ

Staff from the Washington Utilities and Transportation Commission (staff) conducted a review of Avista Utilities natural gas Operations and Maintenance manual (O&M) inspection from 4/10/2012 to 4/11/2012. The inspection included a review of O&M manuals necessary to establish compliance with 49 CFR Part 191,192 and WAC 480-93 as it relates to the distribution of natural gas.

Our inspection noted four areas of concern, which unless corrected, could potentially lead to future violation of state and/or federal pipeline safety rules.

Please review the attached report and respond in writing by May 31, 2012. The response should include a plan of action to address the areas of concern.

If you have any questions, or if we may be of any assistance, please contact Dennis Ritter at (360) 664-1159. Please refer to the subject matter described above in any future correspondence pertaining to this inspection.

Sincerely,

David D. Lykken
Pipeline Safety Director

cc. Mike Faulkenberry, Chief Gas Engineer, Avista Utilities

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION
2012 Natural Gas Pipeline Safety Inspection
Operations and Maintenance Manual Review
Avista Utilities Corporation-HQ

The following probable violation(s) of Title 49, CFR Part 191, 192 and WAC 480-93 were noted as a result of the inspection of the Avista Utilities Corporation (Avista), Operations and Maintenance manual (O&M). The inspection included a random selection of records, operation and maintenance, emergency response, inventory and field inspection of the pipeline facilities.

AREAS OF CONCERN

1. **49 CFR §191.22 National Registry of Pipeline and LNG Operators**

- (c) *Changes. Each operator of a gas pipeline, gas pipeline facility, LNG plant or LNG facility must notify PHMSA electronically through the National Registry of Pipeline and LNG Operators at [http:// opsweb.phmsa.dot.gov](http://opsweb.phmsa.dot.gov) of certain events.*
- (d) *Reporting. An operator must use the OPID issued by PHMSA for all reporting requirements covered under this subchapter and for submissions to the National Pipeline Mapping System.*

Finding(s):

Although Avista did show that it reports electronically to NPMS as is required, they do not have a written procedure detailing how this happens. As this filing is required for operators of natural gas distribution systems, Avista must document this process in a written procedure.

2. **WAC 480-93-178 Protection of Plastic Pipe**

- (1) *Each gas pipeline company must have detailed written procedures for the storage, handling, and installation of plastic pipelines. Except for joining procedures, and unless the gas pipeline company has more stringent procedures, the company must store, handle, and install plastic pipe in accordance with the latest applicable manufacturer's recommended practices.*

Finding(s):

Avista must document its storage and handling practices as meeting the *latest applicable manufacturer's recommended practices* unless the company can document it has more stringent procedures. Avista's current storage and handling procedures do not state they meet the latest applicable manufacturer's recommended practices or document current practices are more stringent. They must do one or the other to meet the intent of this regulation.

3. **WAC 480-93-140 Service Regulators**

- (1) *To ensure proper operation of service regulators, each gas pipeline company must install, operate, and maintain service regulators in accordance with federal and state regulations, and in accordance with the manufacturer's recommended installation and maintenance practices.*

Finding(s):

Avista must document its installation, operation and maintenance practices in *accordance with the manufacturer's recommended installation and maintenance practices*. Avista maintains its current procedures were written according to the manufacturer's recommended installation instructions. However, the procedures do not state specifically this is the case. This language needs to be added to the current procedure.

4. **49 CFR §192.479 Atmospheric Corrosion Control**

- (a) *Each operator must clean and coat each pipeline or portion of pipeline that is exposed to the atmosphere, except pipelines under paragraph (c) of this section.*
- (b) *Coating material must be suitable for the prevention of atmospheric corrosion.*

Finding(s):

Avista does have an atmospheric control procedure to prevent, control and maintain corrosion. However, the current procedure does state the material being used is "suitable for the prevention of atmospheric corrosion" per 49 CFR §192.479. Language needs to be added to this procedure to ensure compliance.