



STATE OF WASHINGTON
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION
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CERTIFIED MAIL

July 28, 2014

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

Dear Mr. Martuscelli:

RE: 2014 Natural Gas Control Room Management Inspection – Cascade Natural Gas Corporation - Headquarters

Staff from the Washington Utilities and Transportation Commission (staff) conducted a Control Room Management (CRM) Inspection from June 3-5, 2014 at the Cascade Natural Gas Company (CNGC) located at 8113 W. Grandridge Blvd in Kennewick. The inspection included 122 questions from the Pipeline and Hazardous Material Safety Administration (PHMSA) Inspection Assistant (IA) module for CRM, SCADA, and Leak Detection. Cascade Natural Gas Company operates multiple pipelines in Oregon and Washington. On night shift, CNGC operates additional pipelines in Idaho.

Our inspection indicates two probable violations as noted in the enclosed report. We also noted three areas of concern, which unless corrected, could potentially lead to future violation of state and/or federal pipeline safety rules.

Your response needed

Please review the attached report and respond in writing by August 29, 2014. 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:



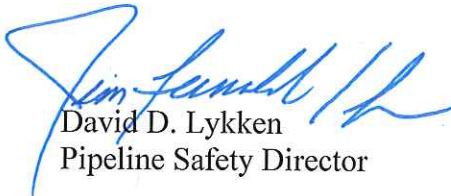
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- Issue an administrative penalty under RCW 81.88.040, or;
- Institute a complaint, seeking monetary penalties, changes in the company's practices, or other relief authorized by law, and justified by the circumstances, or;
- Consider the matter resolved 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 Lex Vinsel at (360) 664-1319. Please refer to the subject matter described above in any future correspondence pertaining to this inspection.

Sincerely,



David D. Lykken
Pipeline Safety Director

Enclosure

cc: Steve Kessie, Director Operation Services, CNG
Jeremy Ogden, Director Engineering Services, CNG

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION
2014 Natural Gas Pipeline Control Room Management Inspection
Cascade Natural Gas Company (CNGC) in Kennewick, WA

The following probable violations and areas of concern of Title 49 CFR Part 192 were noted as a result of the 2014 inspection of the Cascade Natural Gas Corporation – Headquarters. 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 §192.631(d)(2) & (d)(3) Control Room Management**

{IA Records Question #22 for CRM, SCADA, and Leak Detection – Fatigue Management}

- (d) *Fatigue mitigation. Each operator must implement the following methods to reduce the risk associated with controller fatigue that could inhibit a controller's ability to carry out the roles and responsibilities the operator has defined:*
- (2) *Educate controllers and supervisors in fatigue mitigation strategies and how off-duty activities contribute to fatigue;*
 - (3) *Train controllers and supervisors to recognize the effects of fatigue; and...*

Finding(s):

CNGC Control Room Supervisor training had NOT been completed prior to Control Room operation. The Control Room Supervisor failed to complete required training prior to Control Room operation on March 1, 2014. The Control Room Supervisor completed "Training for Managing Operator Fatigue" on June 4, 2014.

2. **49 CFR §192.631(h) Control Room Management**

{IA Records Question #2 for CRM, SCADA, and Leak Detection – Training}

- (h) *Training. Each operator must establish a controller training program and review the training program content to identify potential improvements at least once each calendar year, but at intervals not to exceed 15 months. An operator's program must provide for training each controller to carry out the roles and responsibilities defined by the operator. In addition, the training program must include the following elements:*

Finding(s):

Controller Supervisor had not completed required training per training program prior to startup of Control Room on March 31, 2014. Supervisor training was completed during the inspection on June 4, 2014.

AREAS OF CONCERN

1. **49 CFR Part 192.631(b)(2) Control Room Management**
CP 930 Revision March 31, 2014 – Section 3.6.1, attachment #9 needs to be referenced in procedure.
2. **49 CFR Part 192.631(c)(2) Control Room Management**
CP 930 Revision March 31, 2014 – Section 3.5.1 Revise section point to point verification and attachments 14, 15 & 16 to reflect current practices.
3. **49 CFR 192.631(g)(1) Control Room Management**
CP 930 Revision March 31, 2014 – Attachment 13 does not show (controller fatigue) as a human factor to consider in investigation of an incident.