



STATE OF WASHINGTON

UTILITIES AND TRANSPORTATION COMMISSION

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Sent Via Email and FedEx

July 17, 2019

Greg Casey
Property Manager
New Roche Harbor LLC
248 Reuben Memorial Drive
PO Box 4001
Friday Harbor, WA 98250

RE: 2019 Liquid Petroleum Gas Pipeline System Inspection – The New Roche Harbor Resort-The New Roche Harbor Resort – (Insp. No. 7858)

Dear Mr. Casey:

Staff from the Washington Utilities and Transportation Commission (staff) conducted a LPG Pipeline System inspection of The New Roche Harbor Resort (NRH) The New Roche Harbor Resort from June 4-6, 2019. This inspection included a comprehensive plans, procedure, and records review as well as a field inspection of the pipeline facilities.

Our inspection indicates 31 probable violation(s) as noted in the enclosed report. We also noted 2 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 19, 2019. 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

The New Roche Harbor Resort
2019 LPG Pipeline System Inspection, The New Roche Harbor Resort
July 17, 2019
Page 2

- 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 Anthony Dorrrough at (360) 481-4035. Please refer to the subject matter described above in any future correspondence pertaining to this inspection.

Sincerely,



Sean C. Mayo
Pipeline Safety Director

Enclosure

cc: Kevin Carlton, The New Roche Harbor Resort

UTILITIES AND TRANSPORTATION COMMISSION
2019 Liquid Petroleum Gas Pipeline Safety Inspection
The New Roche Harbor Resort-The New Roche Harbor Resort

The following probable violation(s) and areas of concern of Title 49 CFR Part 192, WAC 480-93 and NFPA 58; were noted as a result of the 2019 inspection of New Roche Harbor LLC-The New Roche Harbor Resort. The inspection included a comprehensive review of records, operation and maintenance (O&M), emergency response, and a field inspection of the pipeline facilities.

PROBABLE VIOLATIONS

1. **49 CFR §192.375(a) Service lines: Plastic**

(a) Each plastic service line outside of a building must be installed below ground level, except that—

(2) It may terminate above ground level, if—

(i) The above ground level part of the plastic service line is protected against deterioration and external damage;

Finding(s):

In the 2017 Technical Assistance Inspection report, staff noted that numerous active polyethylene (PE) service stubs from 2006 (not verified) were above ground, susceptible to UV exposure and damage. During the 2019 inspection, staff found some of these service stubs in the same condition.

2. **49 CFR §192.383(b) Excess flow valve installation**

(b) Installation required. An EFV installation must comply with the performance standards in § 192.381. After April 14, 2017, each operator must install an EFV on any new or replaced service line serving the following types of services before the line is activated:

(1) A single service line to one SFR;

(2) A branched service line to a SFR installed concurrently with the primary SFR service line (i.e., a single EFV may be installed to protect both service lines);

(3) A branched service line to a SFR installed off a previously installed SFR service line that does not contain an EFV;

(4) Multifamily residences with known customer loads not exceeding 1,000 SCFH per service, at time of service installation based on installed meter capacity, and

(5) A single, small commercial customer served by a single service line with a known customer load not exceeding 1,000 SCFH, at the time of meter installation, based on installed meter capacity.

Finding(s):

NRH has service lines installed after Apr 14, 2017 without EFV's.

3. **49 CFR §192.481 Atmospheric corrosion control: monitoring**
(a) Each operator must inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion, as follows:
(b) During inspections the operator must give particular attention to pipe at soil-to-air interfaces, under thermal insulation, under disbonded coatings, at pipe supports, in splash zones, at deck penetrations, and in spans over water.
(c) If atmospheric corrosion is found during an inspection, the operator must provide protection against the corrosion as required by § 192.479.

Finding(s):

NRH failed to provide documentation to support that they had established intervals or frequency for monitoring for atmospheric corrosion.

4. **49 CFR §192.605 Procedural manual for operations, maintenance, and emergencies**
(a) General. Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response. For transmission lines, the manual must also include procedures for handling abnormal operations. This manual must be reviewed and updated by the operator at intervals not exceeding 15 months, but at least once each calendar year. This manual must be prepared before operations of a pipeline system commence. Appropriate parts of the manual must be kept at locations where operations and maintenance activities are conducted.

Finding(s):

NRH failed to provide a procedure for polyethylene (PE) service stubs. (See item #1 and finding)

5. **49 CFR §192.615(b)(3) Emergency Plans**
(b) Each operator shall:
(3) Review employee activities to determine whether the procedures were effectively followed in each emergency.

Finding(s):

NRH failed to provide documentation this procedure is included in the Emergency Plan.

6. **49 CFR §192.615(c) Emergency Plans**
(c) Each operator shall establish and maintain liaison with appropriate fire, police, and other public officials to:
(1) Learn the responsibility and resources of each government organization that may respond to a gas pipeline emergency;
(2) Acquaint the officials with the operator's ability in responding to a gas pipeline emergency;
(3) Identify the types of gas pipeline emergencies of which the operator notifies the officials; and

(4) Plan how the operator and officials can engage in mutual assistance to minimize hazards to life or property.

Finding(s):

NRH failed to provide documentation to support that they had maintained liaison with appropriate fire, police, and other public officials.

7. 49 CFR §192.616(j) Public awareness

(j) Unless the operator transports gas as a primary activity, the operator of a master meter or petroleum gas system is not required to develop a public awareness program as prescribed in paragraphs (a) through (g) of this section. Instead the operator must develop and implement a written procedure to provide its customers public awareness messages twice annually. If the master meter or petroleum gas system is located on property the operator does not control, the operator must provide similar messages twice annually to persons controlling the property. The public awareness message must include:

(1) A description of the purpose and reliability of the pipeline;

(2) An overview of the hazards of the pipeline and prevention measures used;

(3) Information about damage prevention;

(4) How to recognize and respond to a leak; and

(5) How to get additional information.

Finding(s):

NRH failed to provide documentation to support that they had developed a public awareness message and had implemented it.

8. 49 CFR §192.707(a) Line markers for mains and transmission lines

(a) Buried pipelines. Except as provided in paragraph (b) of this section, a line marker must be placed and maintained as close as practical over each buried main and transmission line:

(1) At each crossing of a public road and railroad; and

(2) Wherever necessary to identify the location of the transmission line or main to reduce the possibility of damage or interference.

Finding(s):

Staff noted there were no line markers at public road crossings or other places necessary to identify the location of the main.

9. 49 CFR §192.723(b)(1) 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):

NRH failed to provide documentation to support that they had developed a leakage control program and procedures that state intervals or frequency.

10. 49 CFR §192.727(d) Abandonment or deactivation of facilities

(d) Whenever service to a customer is discontinued, one of the following must be complied with:

(1) The valve that is closed to prevent the flow of gas to the customer must be provided with a locking device or other means designed to prevent the opening of the valve by persons other than those authorized by the operator.

(2) A mechanical device or fitting that will prevent the flow of gas must be installed in the service line or in the meter assembly.

(3) The customer's piping must be physically disconnected from the gas supply and the open pipe ends sealed.

Finding(s):

NRH failed to provide documentation to support that they had developed procedures for abandonment or deactivation of facilities.

11. 49 CFR §192.747 Valve maintenance: Distribution systems

(a) Each valve, the use of which may be necessary for the safe operation of a distribution system, must be checked and serviced at intervals not exceeding 15 months, but at least once each calendar year.

(b) Each operator must take prompt remedial action to correct any valve found inoperable, unless the operator designates an alternative valve.

Finding(s):

NRH failed to provide documentation to support that they had established intervals or frequency for checking and servicing valves.

12. 49 CFR §192.751 Prevention of accidental ignition

Each operator shall take steps to minimize the danger of accidental ignition of gas in any structure or area where the presence of gas constitutes a hazard of fire or explosion, including the following:

(a) When a hazardous amount of gas is being vented into open air, each potential source of ignition must be removed from the area and a fire extinguisher must be provided.

(b) Gas or electric welding or cutting may not be performed on pipe or on pipe components that contain a combustible mixture of gas and air in the area of work.

(c) Post warning signs, where appropriate.

Finding(s):

NRH failed to provide documentation to support that they had procedures that outline the steps to be taken to address prevention of accidental ignition.

13. WAC 480-93-018(3) Records

(3) Each gas pipeline company must maintain a list of forms and databases, including examples where applicable, that specify what records the company maintains. Each gas pipeline company must make this list available to the commission upon request.

Finding(s):

NRH failed to provide documentation to support the type of records the company maintains, and do not have maps or drawings of the pipeline system available for appropriate personnel or the commission upon request.

14. WAC 480-93-100(3) Valves

(3) All service valves selected for inspection in the program required in subsection (2) of this section must be operated and maintained at least once annually, but not to exceed fifteen months between operation and maintenance.

Finding(s):

NRH failed to provide documentation to support that they had procedures that outline the frequency of when services valves would be operated and maintained, and failed to provide valve O&M records for 2018.

15. WAC 480-93-124 Pipeline markers

(1) Each gas pipeline company must place pipeline markers at the following locations:

(a) Where practical, over pipelines operating above two hundred fifty psig;

(b) Over mains and transmission lines crossing navigable waterways (custom signage may be required to ensure visibility);

(c) Over mains and transmission lines at river, creek, drainage ditch, or irrigation canal crossings where hydraulic scouring, dredging, or other activity could pose a risk to the pipeline (custom signage may be required to ensure visibility);

(d) Over gas pipelines at railroad crossings;

(e) At above ground gas pipelines except service risers, meter set assemblies, and gas pipeline company owned piping downstream of the meter set assembly. The minimum lettering size requirements located in 49 C.F.R. § 192.707 (d)(1) do not apply to services;

(f) Over mains located in Class 1 and 2 locations;

(g) Over transmission lines in Class 1 and 2 locations, and where practical, over transmission lines in Class 3 and 4 locations; and

(h) Over mains and transmission lines at interstate, U.S. and state route crossings where practical.

(2) If practical, the gas pipeline company must place markers on both sides of any crossing listed in subsection (1) of this section.

(3) Where markers are required on buried gas pipelines, they must be placed approximately five hundred yards apart and at points of horizontal deflection if practical.

(4) Where gas pipelines are attached to bridges or otherwise span an area, each gas pipeline company must place pipeline markers at both ends of the suspended pipeline. Each gas pipeline company must conduct surveys of pipeline markers required by this subsection at least annually, not to exceed fifteen months.

(5) Each gas pipeline company must replace markers that are reported damaged or missing within forty-five days.

(6) Surveys of pipeline markers not associated with subsection (4) of this section must be conducted at least every five calendar years but not to exceed sixty-three months, to ensure that markers are visible and legible.

(a) Each gas pipeline company must keep on file the last two surveys, or all surveys for the past five years, whichever number of surveys is greater.

(b) Survey records must include a description of the system and area surveyed.

(7) Each gas pipeline company must have records such as maps or drawings sufficient to indicate class locations and other areas where pipeline markers are required.

Finding(s):

Staff noted that there were no markers placed at road crossings or at locations where main was located above ground.

16. 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.

(2) Each gas pipeline company must inspect and test service regulators and associated safety devices during the initial turn-on, and when a customer experiences a pressure problem. Testing must include determining the gas regulator's outlet set pressure at a specified flow rate. Each gas pipeline company must use pressure gauges downstream of the regulator during testing. Safety devices such as fracture discs are not required to be tested.

Finding(s):

Staff noted a meter set and regulator located underneath an enclosed stairway.

17. WAC 480-93-188(2) Gas leak surveys

(2) Each gas pipeline company must maintain, test for accuracy, calibrate and operate gas detection instruments in accordance with the manufacturer's recommendations. If there are no written manufacturer's recommendations or schedules, then the gas pipeline company must test such instruments for accuracy at least monthly, but not to exceed forty-five days between testing, and at least twelve times per year. The gas pipeline company must recalibrate or remove from service any such instrument that does not meet applicable tolerances. Records of accuracy checks, calibration and other maintenance performed must be maintained for five years.

Finding(s):

NRH failed to provide documentation to support that they had procedures for checking gas detection instruments for accuracy, calibration intervals and operation.

18. WAC 480-93-188(3) Gas leak surveys

(3) Each gas pipeline company must conduct gas leak surveys according to the following minimum frequencies:

(a) Business districts - At least once annually, but not to exceed fifteen months between surveys. All mains in the right of way adjoining a business district must be included in the survey;

(b) High occupancy structures or areas - At least once annually, but not to exceed fifteen months between surveys;

(c) Gas pipelines operating at or above two hundred fifty psig - At least once annually, but not to exceed fifteen months between surveys;

(d) Where the gas system has cast iron, wrought iron, copper, or noncathodically protected steel - At least twice annually, but not to exceed seven and one-half months between surveys; and

(e) Unodorized gas pipelines - At least monthly.

Finding(s):

NRH failed to provide documentation to support that they had procedures for conducting gas leak surveys according to minimum frequencies.

19. WAC 480-93-188(5) Gas leak surveys

(5) Each gas pipeline company must keep leak survey records for a minimum of five years. At a minimum, survey records must contain the following information:

(a) Description of the system and area surveyed (including maps and leak survey logs);

(b) Survey results;

(c) Survey method;

(d) Name of the person who performed the survey;

(e) Survey dates; and

(f) Instrument tracking or identification number.

Finding(s):

NRH failed to provide documentation to support that they had procedures for keeping leak survey records or any actual leak survey records.

20. NFPA 58 5.2.8.3 (5) Container marking

The markings specified for ASME containers shall be on a stainless steel metal nameplate attached to the container, located to remain visible after the container is installed.

(5) The wording "This container shall not contain a product that has a vapor pressure in excess of ___ psig at 100 degree F" (see Table 5.2.4.2.)

Finding(s):

Staff noted this was missing from the nameplate.

21. **NFPA 58 5.2.8.3 (6) Container marking**
The markings specified for ASME containers shall be on a stainless steel metal nameplate attached to the container, located to remain visible after the container is installed.
(6) Outside surface area in square feet

Finding(s):

Staff noted this was missing from the nameplate.

22. **NFPA 58 5.2.8.3 (8) Container marking**
The markings specified for ASME containers shall be on a stainless steel metal nameplate attached to the container, located to remain visible after the container is installed.
(8) Shell thickness and head thickness

Finding(s):

Staff noted this was missing from the nameplate.

23. **NFPA 58 5.2.8.3 (9) Container marking**
The markings specified for ASME containers shall be on a stainless steel metal nameplate attached to the container, located to remain visible after the container is installed.
(9) OL (overall length), OD (outside diameter), HD (head design)

Finding(s):

Staff noted this was missing from the nameplate.

24. **NFPA 58 5.7.2.4 (a) Pressure Relief Devices**
ASME containers for LP-Gas shall be equipped with direct spring-loaded pressure relief valves conforming with applicable requirements of UL132, Standard on Safety Relief Valves for Anhydrous Ammonia and LP-Gas, or other equivalent pressure relief valve standards.
(A) The start-to-leak setting of such pressure relief valves, in relation to the pressure rating of the container, shall be in accordance with Table 5.7.2.4(A).

Finding(s):

NRH failed to provide documentation to support that there are direct spring-loaded pressure relief valves conforming with the applicable requirements.

25. **NFPA 58 5.7.2.5 Pressure Relief Devices**
The minimum rate of discharge of pressure relief valves shall be in accordance with Table 5.7.2.5 or shall be calculated using the following formula:

Flow Rate (ft³/min air) = 53.632 x A to the power of 0.82
where:

A = total outside surface area of container in square feet

Finding(s):

NRH failed to provide documentation to support that the minimum rate of discharge of pressure relief valves were in accordance with these requirements.

26. NFPA 58 5.7.2.8 (1) Pressure Relief Devices

Each pressure relief valve shall be plainly marked with the following:

(1) The pressure psig at which the valve is set to start-to-leak

Finding(s):

NRH failed to provide documentation to support that this information is located on the pressure relief valves.

27. NFPA 58 5.7.5.1 Pipe for Regulator Venting

Pipe or tubing used to vent regulators shall be one of the following:

(1) Metal pipe and tubing in accordance with 5.8.3

(2) PVC meeting the requirements of UL 651, Schedule 40 or 80 Rigid PVC Conduit

Finding(s):

NRH failed to provide documentation for the PVC tubing used to vent regulators.

28. NFPA 58 5.7.8.2 Liquid Level Gauging Devices

5.7.8.2 The gauging devices shall be either fixed maximum liquid level gauges or variable gauges of the slip tube, rotary, or float types (or combinations of such gauges).

Finding(s):

NRH failed to provide documentation to support this information.

29. NFPA 58 6.4.5.2 Other Container Location Requirements

Loose or piled combustible material and weeds and long dry grass shall be separated from containers by a minimum of 10 ft (3 m)?

Finding(s):

Staff noted that a stack of empty LP-Gas containers and a large wooden support were located within 10ft. of the container.

30. NFPA 58 6.10.9 Emergency Shutoff Valves

Emergency shutoff valves and backflow check valves required by the code shall be tested annually for the functions required by 5.10.4. The results of the test documented.

Finding(s):

NRH failed to provide documentation to support that emergency valves were tested annually.

31. NFPA 58 6.11.1 Hydrostatic Relief Valves

A hydrostatic relief valve or a device providing pressure-relieving protection shall be installed in each section of piping and hose in which liquid LP-Gas can be isolated between shutoff valves so as to relieve the pressure that could develop from the trapped liquid to a safe atmosphere or product-retaining section.

Finding(s):

Staff noted that there was no hydrostatic relief valve installed on the liquid flow pipeline between the container and the direct-fired vaporizer.

AREAS OF CONCERN AND FIELD OBSERVATIONS

1. Related to the probable violation item #1, staff noted that some previously identified active PE service stubs that were found above ground, and susceptible to UV exposure and damage, had been put into service. NRH failed to provide documentation that the exposed portions of the service lines had been removed.
2. Related to checklist item #201, staff noted that NRH has no verifiable documentation to establish the existing pipeline system or when it was installed.