



STATE OF WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

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Sent via email

June 28, 2022

Stephen Smith
Plant Manager
Cardinal FG
545 Avery Road West
Winlock, WA 98596

**RE: 2022 Natural Gas Intrastate Transmission – OM PPR Inspection – Cardinal FG
(Insp. No. 8421)**

Dear Mr. Smith:

Staff from the Washington Utilities and Transportation Commission (staff) conducted an Operations and Maintenance Plan and Procedure Review (OM PPR) inspection of Cardinal FG's (Cardinal) pipeline facilities from May 24, 2022, to May 25, 2022. The inspection included an onsite review of procedures.

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

Your response needed

Please review the attached report and respond in writing by July 30, 2022. 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

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- 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 \$239,142 for each violation for each day that the violation persists. The maximum civil penalty for a related series of violations is \$2,391,412; 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 Darren Tinnerstet at (360) 764-0779. Please refer to the subject matter described above in any future correspondence pertaining to this inspection.

Sincerely,

Sean C. Mayo
Pipeline Safety Director

cc: Steven Godlewski, Engineering Manager, Cardinal FG
Stephen Hernandez, Principal Consultant, EverLine

UTILITIES AND TRANSPORTATION COMMISSION
2022 Natural Gas Pipeline Safety Inspection
Cardinal FG – OM PPR Inspection

The following probable violation and area of concern of WAC 480-93 and CFR §192 were noted as a result of the 2022 OM PPR inspection of Cardinal. The inspection included a review of relevant processes and procedures.

PROBABLE VIOLATIONS

1. WAC 480-93-180: Plans and Procedures

(1) Each gas pipeline company must have and follow a gas pipeline plan and procedure manual (manual) for operation, maintenance, inspection, and emergency response activities that is specific to the gas pipeline company's system. The manual must include plans and procedures for meeting all applicable requirements of 49 C.F.R. §§ 191, 192 and chapter 480-93 WAC, and any plans or procedures used by a gas pipeline company's associated contractors.

(2) The manual must be filed with the commission forty-five days prior to the operation of any gas pipeline. Each gas pipeline company must file revisions to the manual with the commission annually. The commission may, after notice and opportunity for hearing, require that a manual be revised or amended. Applicable portions of the manual related to a procedure being performed on the pipeline must be retained on-site where the activity is being performed.

(3) The manual must be written in detail sufficient for a person with adequate training to perform the tasks described. For example, a manual should contain specific, detailed, step-by-step instructions on how to maintain a regulator or rectifier, conduct a leak survey or conduct a pressure test.

Finding(s):

Staff found that Cardinal's Operations and Maintenance Manual did not contain specific detailed procedures for inspecting and testing each pressure limiting station, relief device, and pressure regulating station. This is a critical safety procedure that must be in place and strictly adhered to every time that an inspection or lock up test is performed at a pressure regulating or limiting station.

Staff was presented with a draft version of a procedure for Cardinal's pressure limiting station shortly after this audit was concluded. Once this procedure is added to the current Operations and Maintenance Manual, and properly followed during required inspections and testing, then compliance will be attained.

AREAS OF CONCERN

1. WAC 480-93-180: Plans and Procedures

(1) Each gas pipeline company must have and follow a gas pipeline plan and procedure manual (manual) for operation, maintenance, inspection, and emergency response activities that is specific to the gas pipeline company's system. The manual must include plans and procedures for meeting all applicable requirements of 49 C.F.R. §§ 191, 192 and chapter 480-93 WAC, and any plans or procedures used by a gas pipeline company's associated contractors.

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(3) The manual must be written in detail sufficient for a person with adequate training to perform the tasks described. For example, a manual should contain specific, detailed, step-by-step instructions on how to maintain a regulator or rectifier, conduct a leak survey or conduct a pressure test.

Finding(s):

Staff found that there were several areas where Cardinal's Operations and Maintenance Manual did not contain specific detailed procedures for completing tasks. It was found that the specific state or federal code was often added to the manual as opposed to a step-by-step procedure for how to accomplish the intended action. WAC 480-93-180(3) specifically requires that the manual be written in sufficient, detailed, step-by-step instructions for a person with adequate training to perform the tasks described. Staff discussed this with Cardinal's Compliance Consultant (EverLine) during the audit and performed a thorough analysis of the most current manual with them. Two specific areas that were identified as lacking specific procedures were moving and lowering metallic pipelines, and how reports of third-party damage are checked against one-call tickets.

Since these procedures were not actually needed or implemented during the audit period, staff felt that the appropriate course of action was to identify these issues as areas of concern as opposed to violations.