

**Washington Utilities and Transportation Commission
2002 Gas Pipeline Safety Inspection
Avista Utilities - Spokane/Ritzville (UG-020218) and
Goldendale/Stevenson (UG-020575)**

1. **WAC 480-93-015 ODORIZATION OF GAS:** *Spokane's odorization record for May 2001 indicated an insufficient amount of odorant. No documentation was provided indicating personnel recognized the inadequate level or that they initiated any corrective action.*

Avista response:

Odorizer read was unusually low that particular month. It is doubtful that the odorant level was actually below specified limits. However, Avista acknowledges no follow-up was initiated based on readings taken.

Personnel responsible for adjusting and maintaining odorizers in Spokane are now responsible for taking monthly odorometer reads. Should corrective action be necessary as a result of odorometer reads these individuals will make necessary odorizer adjustments.

We have instructed other operators in outside construction areas to initiate follow-up adjustment as necessary to odorizers and document such action.

WUTC Proposed Fine: \$1000

Avista Proposed Fine: \$1000

Staff response:

Commission Staff and Avista Personnel have agreed to the violation and the penalty assessed by the WUTC, \$1,000.00.

2. **WAC 480-93-110 CORROSION CONTROL:** *Avista has an undetermined number of short sections of steel and isolated steel risers that do not have adequate cathodic protection applied.*

Avista response:

Spokane/Ritzville:

Spokane Operations began checking pipe to soil levels of all possible risers in question. This action began on July 29, 2002. To date, 10 percent (490) of the services have been checked. We will have this survey completed by the end of the 2002 and all isolated services repaired or protected by July 1, 2003. See Attachment #1 for sample of Spokane's documentation.

The first part of August, Spokane Operations began randomly checking exposed steel pipe. Six (6) construction inspectors were given training to take pipe to soil reads and are now taking reads at construction sites when steel is exposed. This will help identify shorted or isolated sections of steel. See attachment #2 for sample of documentation.

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Goldendale/Stevenson:

At the time of the June audit, Goldendale operations personnel were in the process of protecting and replacing the 65 isolated steel services or risers that were identified as we committed to in our 2001 audit response. The first phase of their plan was to identify off of maps, isolated sections of steel and replace what they could and cathodically protect what they couldn't replace.

The second phase of their plan was to visit each service and take a pipe-to-soil read in conjunction with meter painting and meter identification replacement to verify those not identified on the maps. To date, 200 services have been checked, which is approximately 1/4 of their system. Their plan is to have their survey completed by the end of 2002 and all isolated short steel sections replaced or protected, weather permitting, by May 2003.

To designate Goldendale/Stevenson as a repeat violation is not accurate as these were in the process of being addressed.

WUTC Proposed Fine: \$25,000

Avista Proposed Fine: \$12,500

See attachment #3 for corrective action of specific findings.

Staff response:

Commission Staff and Avista Personnel have agreed to the violation and the penalty amount that was proposed by Avista, \$12,500.00.

3. **WAC 480-93-110 CORROSION CONTROL:** *No recorded remedial action was taken within 90 days on inadequate cathodic protection levels.*

Avista response:

Avista has dedicated engineering manpower and hired an additional CP technician with the primary responsibility to help organize and computerize records and surveys to assure that they do not go beyond the 90-day timeframe. See attachment #4 and #5 for samples of documentation process.

Avista has met with other utilities to benchmark its CP program against others. We are in the process of soliciting outside consultant help to evaluate our CP program and methodologies.

A proposal for additional manpower has been submitted to management and is supported if needed to meet our maintenance obligations. It is uncertain as to what level of technician help is needed at this time. Once we streamline our paperwork process and review methodologies, Avista will be in a better position to determine additional personnel needs.

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Avista is implementing the use of telemetering technology to take rectifier reads to free up technicians to troubleshoot problems rather than collect data. Telemetry was being installed at the time of the June audit.

WUTC Proposed Fine: \$25,000

Avista Proposed Fine: \$12,500

See attachment # 3 for corrective action of specific findings.

Staff response:

Commission Staff and Avista Personnel have agreed to the violation and the penalty amount that was proposed by Avista, \$12,500.

4. **WAC 480-93-183 PIPELINE AND SYSTEM PRESSURE REPORTING:** *Avista had three incidents where the system pressure exceeded the MAOP and the commission was not notified as required.*

Avista response:

The reason reportables were not initiated is because alarm set points were above the MAOP (but were well within the 10% band allowed by federal code). Avista is reviewing their alarm set points and adjustments are being made. Training is also being provided to our central dispatch on what situations are reportable to the WUTC.

WUTC Proposed Fine: \$1,000

Avista Proposed Fine: \$1,000

Staff response:

Commission Staff and Avista Personnel have agreed to the violation and the penalty assessed by the WUTC, \$1,000.00.

- 5 & 6. **WAC 480-93-183 LEAKAGE CLASSIFICATION AND ACTION CRITERIA:** *No 30-day follow-up on grade 1 leaks for which there was residual gas and no grading of leaks.*

Avista response:

These relate to incomplete/inconsistent documentation of our Gas Operating Orders or leak tickets. Additional training and mylar examples of required information are being provided to construction personnel. Construction managers or their designated personnel, are reviewing every leak order after they are completed in the field.

Programming resources have been committed to develop a paperless hand-held device to record and organize data collection. Programming is underway and pilot test sites have been determined.

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WUTC Proposed Fine (Combined): \$11,000

Avista Proposed Fine: \$11,000

Staff response:

Commission Staff and Avista Personnel have agreed to the violation and the penalty assessed by the WUTC, \$11,000.00.

7. **WAC 480-93-187(2) RECORDS AND SELF-AUDIT: Incomplete or insufficient information recorded on grade 1 leaks.**

Avista response:

These relate to incomplete/inconsistent documentation of our Gas Operating Orders or leak tickets.

On items b and c where a CGI magnitude was not originally taken, but a 30 day follow-up was conducted. At the time, this was deemed acceptable based on a conversation between Bill Baker of Avista and Scott Rukke of the WUTC staff. Avista believed from this conversation, that if a crew making the repair did not have a CGI to take a reading, it would be treated as if there was residual gas and a follow-up would be initiated.

We have since put into place a requirement when Class 1 underground leaks are repaired to have a perimeter check for residuals performed with a CGI. The residual gas will be recorded and a follow-up initiated within 30 days.

WUTC Proposed Fine: \$5,000

Avista Proposed Fine: \$0

Staff response:

Staff's discussion with Avista personnel was regarding their practice of responding to certain leaks without CGI instrumentation. Avista personnel asked whether it would be acceptable to use a more sensitive gas detection instrument such as a TIF (acronym) to determine whether there were any remaining concentrations of gas after a repair had been made. Staff stated that it would as long as a CGI was available in the event the TIF gave indications of the presence of natural gas. Staff also stated that a CGI instrument is the only acceptable way to grade underground leaks and to determine the perimeter of the gas concentrations. Staff's concern was Avista's apparent policy of responding to some leaks or odor calls without proper leak detection equipment.

Staff reviewed several leak tickets with no CGI readings and at least two of the leak tickets indicated that gas might have been leaking underground for up to 30 days. One of these leaks may have been leaking into the sewer line as indicated on the leak ticket. Staff believes that a CGI should have been used in both cases. If Avista personnel have been using a TIF after repairs are completed then they should be recording that no indications of gas are remaining.

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If any indications of gas are found then a CGI must be used to determine spread and grade the leak accordingly. All CGI reads must be recorded per WAC 480-93-187.

Commission Staff and Avista Personnel have agreed to the violation. However, the penalty will remain as proposed by the WUTC, \$5,000.00.

8. **WAC 480-93-188(6) GAS LEAK SURVEYS:** *Lack of pressure drop information in regard to leak survey.*

Avista Response:

Avista is requesting a clarification on this particular code in regard to pressure drop test. This code is not clear on what facility is required to be pressure tested in relation to a leak survey. Also the five leaks identified by the WUTC staff were not leaks that were found during a leak survey. These were third party dig-ins that were called in.

WUTC Proposed Fine: \$1,000

Avista Proposed Fine: \$0

Staff response:

CFR Title 49, Part 192.725 requires that a pressure test be performed on each disconnected service line prior to reinstatement. Avista procedures also require that a pressure test be performed from the point of disconnection to the service riser. In the event that a portion of the service or main piping cannot feasibly be pressure tested then pre-tested pipe must be used. Staff reviewed several Avista leak documents that did not record pressure tests or did not record pre-tested pipe information. Although Federal code requires that pressure tests be performed it doesn't require that they be documented. WAC 480-93-188(6) does require that when conducting a "pressure drop test" that the information related to the test be recorded. Although this requirement is under the title of "leak survey records" it is clear that this section refers to the requirement that certain information be recorded when pressure tests are performed. Since Avista personnel assured Staff that they always pressure test or use pre-tested pipe, Staff felt it prudent to cite Avista on the lack of WAC required documentation rather than the pressure-testing requirement of the Federal code.

Commission Staff and Avista Personnel have agreed to the violation. However, the penalty will remain as proposed by the WUTC, \$1,000.00.

9. **PART 192.469 EXTERNAL CORROSION CONTROL, TEST STATIONS:** *Insufficient test stations or other contact points for electrical measurement to determine the adequacy of cathodic protection.*

Avista response:

Avista feels that Goldendale has a sufficient number of test sites to determine the adequacy of cathodic protection. In regard to the Mill Street bridge, there was a test station on both sides of the bridge with acceptable levels of cathodic protection.

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The only way this pipe would have been detected as low is if it itself was a test site. See attachment #6 for Goldendale maps.

We do not believe this citation per 192.469 is valid. It is unreasonable to expect that all isolated steel sections can be detected by simply increasing test stations. Avista believes item #2, and the fine associated with it addresses isolated sections of steel pipe.

WUTC Proposed Fine: \$10,000

Avista Proposed Fine: \$0

As a corrective action, Avista has cathodically protected these sections of piping and added it to our annual cathodic survey. See attachment #3 for corrective action.

Staff response:

Avista has implemented a program that will identify its remaining isolated steel pipelines. However, Staff contends that a more in-depth review of Avista's maps and records would have revealed the potential for isolated sections of pipelines, not limited to Goldendale. During the Goldendale inspection, Staff and Avista personnel reviewed a map of a ¾-inch main that serves four separate structures. A fitting that has isolation potential was used after the tie-in connection. Therefore, an additional test site downstream of that fitting should have been utilized.

To remain consistent with the preceding Cathodic Protection penalty amounts, the penalty will be half of that proposed by the WUTC, \$5,000.00.

10. **PART 192.383(B) EXCESS FLOW VALVES, CUSTOMER NOTIFICATION:**
Notification to offer EFV' to newly installed service line or replacement service lines that serve single residences. Documentation was not available for new developments.

Avista response:

Avista was not offering excess flow valves on developments where the developer was installing the gas system including the services within the development prior to selling the new homes. Avista has addressed this with each construction area that they need to document the offer to the developer. We are also clarifying this in Avista's Gas Standards, Spec 4.23 "Customer Notification – EFV". See attachment #7 for this standard.

WUTC Proposed Fine: \$500

Avista Proposed Fine: \$500

Staff response:

Commission Staff and Avista Personnel have agreed to the violation and the penalty assessed by the WUTC, \$500.00.

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11. **PART 192.467(D) EXTERNAL CORROSION CONTROL, ELECTRICAL ISOLATION:**

Casings and carrier pipes that have no contact point to take an electrical isolation read are being leak surveyed, which is not an adequate method.

Avista response:

From a perspective of safety, Avista, by leak surveying casings for which contact points are inaccessible, is meeting an allowable remedy for a shorted casing based on WAC 480-93-115.

Avista was cited in a Clarkston audit dated March 27, 2002 on this same issue and an accepted remedy was approved by the WUTC in a letter dated May 28, 2002 (ref. UG-020038).

Since you are citing us on findings you found in February, which was prior to this agreement, we believe the agreement should cover these also. See attachment #8 for a draft of Avista's procedure for electrical isolation testing with no contact points.

We do not believe that we should be penalized.

WUTC Proposed Fine: \$1,000

Avista Proposed Fine: \$0

Staff response:

Commission Staff and Avista Personnel have agreed that this violation was previously settled during the Pullman Inspection, and should not receive a penalty.

12. **PART 192.491(C) CORROSION CONTROL RECORDS:** *Ritzville was unable to provide records that an atmospheric corrosion-monitoring program was in place.*

Avista response:

In 2001, the person responsible for Ritzville went on long term-disability due to a stroke. There were several people temporarily filling in for that position. Avista was unable to produce atmospheric corrosion records. Ritzville has developed a continuing plan for their atmospheric corrosion monitoring.

See attachment #9 for that plan.

WUTC Proposed Fine: \$500

Avista Proposed Fine: \$500

Staff response:

Commission Staff and Avista Personnel have agreed to the violation and the penalty assessed by the WUTC, \$500.00.

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ORIGINAL WUTC PROPOSED FINE: \$81,000

AVISTA PROPOSED FINE: \$39,000

Based on Avista's letter of intent and discussions following receipt of the letter, Staff propose a mitigated fine amount totaling \$50,000.00 as itemized above.