



STATE OF WASHINGTON

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

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Ref. No. Docket PG-100049

CERTIFIED MAIL

November 17, 2010

Don Kopczynski
 Vice President – Operations
 Avista Utilities Corporation
 East 1411 Mission, MSC 20
 PO Box 3727
 Spokane, Washington 99220-3727

Dear Mr. Kopczynski:

RE: 2010 Natural Gas Standard Inspection – Spokane/Ritzville, Washington

We conducted a natural gas inspection of Avista Utilities Corporation (Avista) Spokane/Ritzville District between September 13 and October 22, 2010. The inspection included a records review and inspection of pipeline facilities.

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

Your response is needed

Please review the attached report and respond in writing by December 20, 2010. 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 81.88.040, or
- Institute a complaint, seeking monetary penalties, changes in the company's practices, or other relief authorized by law, or
- Consider the matter resolved without further commission action.



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Staff has not yet decided whether to recommend to the commission pursuit of a complaint or penalty in this matter. Should the commission decide to pursue a complaint or penalty, your company will have an opportunity to present its position directly to the commission.

If you have any questions, or if we may be of further assistance, please contact Scott Rukke at (360) 664-1241. Please refer to Docket PG-100049 in any future correspondence regarding this inspection.

Sincerely,



David D. Lykken
Pipeline Safety Director

Enclosure

cc. Mike Faulkenberry, Avista

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION
2010 Natural Gas Pipeline Safety Inspection
Avista Utilities Corporation – Spokane/Ritzville District
Docket PG-100049

The following violation(s) and areas of concern of Title 49, CFR Part 192, WAC 480-90 and 480-93 and were noted as a result of the 2010 pipeline safety inspection of the Avista Utilities Corporation, Spokane/Ritzville distribution system. The inspection included a review of records, inventory, and field operations and maintenance of the natural gas facilities.

PROBABLE VIOLATIONS

1. **49 CFR §192.455 External corrosion control: Buried or submerged pipelines installed after July 31, 1971.**

- (a) *Except as provided in paragraphs (b), (c), and (f) of this section, each buried or submerged pipeline installed after July 31, 1971, must be protected against external corrosion, including the following:*
- (1) *It must have an external protective coating meeting the requirements of §192.461.*
 - (2) *It must have a cathodic protection system designed to protect the pipeline in accordance with this subpart, installed and placed in operation within 1 year after completion of construction.*

NOTE: Paragraphs (b), (c) and (f) are not applicable.

Finding(s):

Avista has an undetermined number of isolated steel service risers and potential isolated services that have no or inadequate cathodic protection applied. The isolated steel risers were primarily installed on polyethylene services prior to the availability of anodeless risers and the isolated services are potentially isolated from the cathodic protection system by insulator style valves or fittings.

The following services, found during this inspection, were identified to be isolated steel risers with no cathodic protection applied.

- a. Meter 57980: N. 12310 Division St, suite 104, Spokane.
Found to be an unprotected isolated steel riser by Avista personnel.
- b. Meter 51936: N. 8601 Division St., Spokane.
Found to be an unprotected isolated steel riser by Avista Personnel.
- c. Meter 79655: N. 8615 Division St., Spokane.
Found to be an unprotected isolated steel riser by Avista Personnel.
- d. Meter 79558: N. 8625 Division St., Spokane.
Found to be an unprotected isolated steel riser by Avista Personnel.
- e. Meter 114200: N. 7326 Division St., Spokane.
Found to be an unprotected isolated steel riser by Avista Personnel.

2. **49 CFR §192.507 Test requirements for pipelines to operate at a hoop stress less than 30 percent of SMYS and at or above 100 psig.**

Except for service lines and plastic pipelines, each segment of a pipeline that is to be operated at a hoop stress less than 30 percent of SMYS and at or above 100 psi (689 kPa) gage must be tested in accordance with the following:

- (a) *The pipeline operator must use a test procedure that will ensure discovery of all potentially hazardous leaks in the segment being tested.*
- (b) *If, during the test, the segment is to be stressed to 20 percent or more of SMYS and natural gas, inert gas, or air is the test medium-*
 - (1) *A leak test must be made at a pressure between 100 psi (689 kPa) gage and the pressure required to produce a hoop stress of 20 percent of SMYS;*
or
 - (2) *The line must be walked to check for leaks while the hoop stress is held at approximately 20 percent of SMYS.*
- (c) *The pressure must be maintained at or above the test pressure for at least 1 hour.*

Finding(s):

Avista installed a new 12-inch high pressure supply line between N. Indian Trail Rd and N. Nine Mile Rd. This pipeline is designed to operate above 100 psig and at less than 30% SMYS. During the pressure test, the pipeline was stressed above 20% SMYS and an inert gas was used as the test medium.

Test records indicate that Avista did not conduct a leak test between 100 psig and 20% SMYS or walk the line to check for leaks while the hoop stress was held at 20% SMYS as required by 192.455(b) and Avista procedure 3.18.

When using air or inert gases as the test medium, it is important to ensure no leaks are present prior to fully stressing the pipeline. This is a safety precaution designed to protect the public and employees from a catastrophic failure under full test pressure.

AREAS OF CONCERN

The following areas of concern were noted and discussed with Avista personnel during this inspection. Although they may not constitute probable violations at this time, Avista should review these notes and make corrections to policies or procedures. Failure to do so could result in future probable violations.

1. **WAC 480-93-170 Tests and reports for pipelines.**

- (7) *Each gas pipeline company must keep records of all pressure tests performed for the life of the pipeline and must document the following information:*
 - (f) *Line pipe size and length;*

Finding(s):

A review of leak records indicates that Avista is documenting the length of pipe used for the repair rather than the length of the pipeline that was leak tested. WAC 480-93-170(7)(f) requires that all pressure tests record the length of pipe that was tested.

2. **WAC 480-93-188 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;*

Finding(s):

A review of leak survey records indicated 3 areas located in business districts that had newly installed or rerouted pipelines. Although the pipelines were on the leak survey maps, they were not leak surveyed.

- a. Installed 6/24/09, 1st and Robie, map 1a244-5. The business district was surveyed on 6-7-10, but this pipeline was not included in the survey.
- b. Installed 8/11/09, Boone, map 1A170-A. The business district was surveyed 6-1-10, but this pipeline was not included in the survey.
- c. Installed 7/28/2009, Freya, Broadway and Springfield, map 1A170-D. The business district was surveyed 6/2/2010, but this pipeline was not included in the survey.

At the time of this inspection when these segments were brought to the attention of Avista personnel, they were immediately leak surveyed. They did not exceed the maximum 15 month time limit.

Avista should take steps to ensure that newly installed segments of pipeline are surveyed during the normal survey frequencies. Failure to do this could result in segments of pipeline going past the survey frequency time limits.

3. **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 CFR §§191, 192 and chapter 480-93 WAC, and any plans or procedures used by a gas pipeline company's associated contractors.*

Finding(s):

Avista procedure 4.15, page 2 of 2, paragraph 2-b cites 192.619(a)(1)(ii). The correct citation should be 192.619(a)(2)(ii).

4. **WAC 480-90-328 Meter Identification.**

Gas utilities must identify each meter by a unique series of serial numbers, letters, or combination of both, placed in a conspicuous position on the meter, along with the utility's name or initials. Utilities must update the name or initials on its meters within three years of a name change.

Finding(s):

The following meters were found with the name of Washington Water Power instead of Avista:

- a. Meter 182940, Off N. Division, WWP tag.
- b. Meter 77877, Off N. Division, WWP tag (same bldg).
- c. Meter 5654742, 3900 E. Sprague Ave, Premera Blue Cross, WWP tag.
- d. Meter 89833 K-Mart, 4110 E. Sprague Ave, WWP tag.

5. **WAC 480-93-178 Protection of plastic pipe.**

- (2) *The gas pipeline company must follow the manufacturer's recommendation for maximum cumulative ultraviolet light exposure limit for plastic pipe. If there is no such recommendation, the gas pipeline company must not expose plastic pipe to ultraviolet light for more than two years. Each gas pipeline company must include the applicable ultraviolet exposure time limit in its procedures manual.*

Finding(s):

Avista procedure 3.13 dictates a maximum ultraviolet light exposure limit of 36 months. A quantity of PE pipe in the Ritzville storage yard is at or near this limit and should be destroyed as required by your procedure.