



STATE OF WASHINGTON

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

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Ref. No. Docket PG-110016

December 13, 2011

Grant M. Yoshihara  
Vice President of Utility Operations  
Northwest Natural  
220 NW Second Avenue  
Portland, OR 97209

Dear Mr. Yoshihara:

**RE: 2011 Natural Gas Standard Inspection – Northwest Natural Gas Columbia Gorge**

Thank you for your letter of intent dated September 7, 2011, regarding staff's inspection of Northwest Natural Gas (NWN) in the Columbia Gorge conducted in June 2011.

Staff accepts NWN's response, with comments (attached), and the corrective action taken by NWN. Docket PG-110016 will be closed as of December 13, 2011.

We would like to thank NWN's personnel for their cooperation and assistance during this inspection. If you have any questions or comments regarding this inspection, please contact Stephanie Zuehlke at (360) 664-1318.

Sincerely,

David D. Lykken  
Pipeline Safety Director

cc. Kerry F. Shampine, Code Compliance Manager, NWN



**WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**  
**2011 Natural Gas Pipeline Safety Inspection**  
**Northwest Natural Gas – Columbia Gorge**  
**Docket PG-110016**

The following is staff's response to NWN's letter dated September 7, 2011 regarding the inspection findings of the staff's inspection of the NWN – Columbia Gorge facilities.

1. **WAC 480-93-018(4) Records.**  
Staff accepts NWN's response and corrective action for both Finding(s) 1 and 2.
2. **WAC 480-93-180 Plans and procedures.**  
Staff accepts NWN's response with the understanding that the Standard Practices, which NWN has identified as the company procedures manual for the purposes of meeting state rules and federal regulations, reference all applicable manuals (e.g. CFM; OQ Procedures Manual; O&M: SP's) used to complete pipeline tasks.
3. **WAC 480-93-185 Gas leak investigation.**
  1. **Finding(s):**  
Staff expectations are that NWN grade all non-hazardous leaks within 5 days. There is a potential problem depending upon the time NWN takes to grade a leak. WAC 480-93-18601(2)(c) requires certain Grade B leaks to be repaired within 5 days of grading. If NWN waits 12 days to grade the leak, for example, and finds that a 5-day repair is required, the delay in grading the leak defeats the purpose of that 5-day requirement.  
  
Staff also accepts NWN's commitment to continued process improvement.
  2. **Finding(s):**  
Staff accepts NWN's commitment toward the development of a long-term plan to reduce the backlog of active C leaks and continued improvement in their current record keeping practices.
4. **WAC 480-93-186 Leak evaluation.**  
Staff accepts NWN's response and corrective action for both Finding(s) 1 and 2.
5. **WAC 480-93-18601(3)(a) Leak classification and action criteria--Grade--Definition--Priority of leak repair.**  
Staff accepts NWN's commitment toward the development of a long-term plan to reduce the backlog of active C leaks and continued improvement in their current record keeping practices but with the following comments: The probable violation for Finding Item 1 was written for the address 185 W. Jewett, White Salmon – NWN provided records for 186 W. Jewett Blvd.
6. **WAC 480-93-187 Gas leak records.**
  1. **Finding(s):**  
Staff accepts NWN's response. Also see Staff response 3.1.

2. **Finding(s):**  
Staff accepts NWN's response and corrective action.
  
7. **WAC 480-93-188 Gas leak surveys.**  
Staff accepts NWN's response with the understanding that NWN can demonstrate that maps with appropriate detail were accessed by leak surveyors during leak surveys for the purpose of verifying the location of NWN pipeline during leak surveys and that the system description meets with the requirements of this rule.
  
8. **49 CFR §199.113(b) Employee assistance program.**  
Staff accepts NWN's corrective action. Please update your employees with the details identified in your response until an updated Human Resources Policy Manual is provided by the end of 2011.
  
9. **49 CFR §199.113(c) Employee assistance program..**  
Staff accepts NWN's corrective action with the understanding that those supervisors without training certification records will not participate until records are available identifying completion of the required training.
  
10. **49 CFR §199.241 Training for supervisors.**  
Staff accepts NWN's corrective action with the understanding that those supervisors without training certification records will not participate until records are available identifying completion of the required training.

#### **AREAS OF CONCERN OR FIELD OBSERVATIONS**

1. **WAC 480-93-018 Records.**  
NWN has been using their enhanced data management systems since 2006. Please update procedures as often as is necessary to identify the specific records (both paper and electronic) format NWN is utilizing for compliance purposes.
  
2. **WAC 480-93-180 Plans and procedures.**  
Staff accepts NWN's response.
  
3. **WAC 480-93-180 Plans and procedures.**  
Staff accepts NWN's response with the understanding that NWN's atmospheric corrosion inspection procedure OP-C-220-01 and the subsequent mitigation for atmospheric corrosion classification ratings 2 and 3 are correlated to the amount of wall loss measured to ensure and clearly demonstrate that the procedure remediation method will restore the serviceability of the pipeline. NWN references procedure OP-C-132-01 as the repair/remediation technique for all corrosion classification ratings. Engineering test data for the material to be used for remediation must clearly demonstrate that the chosen repair/mitigation method will restore the serviceability of the pipeline.
  
4. **49 CFR §192.63 Marking of materials.**  
Staff accepts NWN's corrective action response.