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May 16, 2003

Carole J. Washburn, Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, WA 98504-7250

Attn: Sondra Walsh

Subject: Follow-up comments, Docket UG-011073

Dear Sondra:

Thank you for the opportunity to discuss the proposed revisions to Chapter 480-93 WAC at the stakeholder workshop on February 25, 2003. At this meeting, the commission agreed to continue working with stakeholders on the language of many of the rules, including WAC 480-93-185 regarding gas leak investigations. In addition, PSE and WUTC staff agreed to separate meeting to further discuss proposed rule **480-93-xxx Corrosion control** as it relates to PSE's bare steel replacement program.

The commission also recommended that operators submit suggested language for several of the rules discussed. PSE respectfully submits comments and amendments to the following rules:

1. 480-93-005 Definitions – “Company”, “Gas company”
2. 480-93-005 Definitions – “Master meter system”
3. 480-93-005 Definitions – “Transmission Line”
4. 480-93-005 Definitions – “Covered Task”
5. 480-93-017 Filing requirements for design, specification, and construction procedures.
6. 480-93-080 Welder and joiner identification and qualification certificates.
7. 480-93-115 Casing of pipelines.
8. 480-93-140 Meter regulators.
9. 480-93-155 Increasing maximum allowable operating pressure.

Many of PSE's recommendations contained in this letter, as well as those included in previously submitted comments, are intended to improve clarity in rule language to promote operator success in complying with all aspects of the rules.

In addition, PSE generally recommends that Chapter 480-93 WAC include only definitions for terminology used in specific rules within this chapter. Nevertheless, when re-defined federal definitions are included for the purpose of expanding the scope of pipelines covered by certain federal rules, due process is required. This should include, at a minimum, a cost benefit analyses and safety justification for the expanded definitions.

1. 480-03-005 Definitions "Company", "Gas company"

Paragraph b, in particular, is unclear. This definition, combined with 480-93-002 *Application of rules*, provides no limitations on who is covered by the rules. PSE understands that the WUTC wants jurisdiction over master meter systems and recommends that this be explicitly stated. If the WUTC seeks jurisdiction over 'others' then the definition should include these 'others' in as specific language as possible, including specific examples of these 'others'. PSE suggests the following amendment to the definition of "Gas company":

(8) "Company," "Gas company" means ~~the term "gas company" shall means:~~

- (a) every gas company otherwise subject to the jurisdiction of the commission under Title 80 RCW as to rates and service; and
- (b) every person, corporation, city, or town which owns or operates a master meter system, ~~pipeline transporting gas in this state, even though such person, corporation, city, or town is not a public service company under chapter 80.28 RCW, and even though such person, corporation, city, or town does not deliver, sell, or furnish gas to any person or corporation within this state.~~

2. 480-03-005 Definitions "Master meter system"

The last revision of this definition clarified that one building did not constitute a master meter system. However, the changes also enveloped a whole new class of master meter systems not previously identified. PSE recommends the following amendment to the definition of "master meter system" so that it matches the federal definition while retaining the 'one building' clarification:

(13) "Master meter system" means - a pipeline system for distributing gas to more than one building within, but not limited to, a definable area, such as a mobile home park, housing project, or apartment complex, where the operator purchases metered gas from an outside source for resale through a gas distribution system. The gas distribution pipeline system supplies the to ultimate consumers other than the system operator's immediate family through a gas distribution pipeline system.who either purchases the

gas directly through a meter or by other means, such as by rents.

3. 480-93-005 Definitions “Transmission line”

PSE recommends that the commission delete “Transmission line” from WAC 480-93-005. Commission staff stated that the grammatical change proposed in the draft rules was for clarification. This ‘clarification’ has far-reaching impacts to facilities that otherwise would not be considered transmission according to the federal definition.

Per 49 CFR 192.3, a pipeline may be a transmission line by function (as in (a) and (c)), or by the stress level at which it operates (as in (b)). WAC 480-93-005 expands the federal definition to “a gas pipeline which connects to an existing transmission line without pressure regulation to lower the pressure”. For pipelines classified as transmission by function, this seems to have no impact. However, for distribution *systems* that may have one or more *segments* that operate at or above 20% SMYS the impact is substantial. In effect, under the WAC rule, a small segment of pipe operating at or above 20% SMYS within a distribution system ‘contaminates’ the entire system such that every rule for transmission lines applies to each segment in the system. Federal interpretations would limit the transmission classification to the “terminus of the last segment operating at 20 percent or more of SMYS.” (ref. OPS letter 8/9/88). Furthermore, RCW 81.88.010 (14), enacted in 2000, defines transmission pipeline effectively the same as 49 CRF Part 192.

PSE urges commission staff to examine the motivation for including a large pipeline population of low-stress pipelines under this classification. If it is perceived that this broad classification achieves a greater level of safety by imposing additional operations and maintenance requirements on “inter-station” pipelines, it is an unbalanced approach. Consider the following: a distribution system downstream of a gate station (distribution center) with an MAOP of 250 psig that contains one pipeline segment operating above 20% SMYS. Under the WAC definition, the entire system from the gate station to the next regulator station is transmission. Now consider a system equal in length, with the same MAOP and made up of pipeline segments of equal pipe diameters but with *no* segments that operate at or above 20% SMYS either because of a wall thickness or pipe grade difference. No portion of this system is transmission by federal or state definitions. What makes the pipeline segments in the first system connected downstream of the transmission line segment different from the pipeline segments in the second system?

PSE maintains that the WAC definition adds an unjustified burden to low-stress pipelines and imposes unbalanced preventive and mitigative safety measures among equivalent pipeline systems, therefore the definition should be deleted.

4. 480-93-005 Definitions “Covered task”

PSE recommends deleting the definition of “Covered task” from the draft rules. As noted above, this definition is an expansion of the existing federal definition and does not appear in any rules contained within Chapter 480-93. PSE believes broadening the definition is premature. Operator’s OQ programs have yet to undergo an initial audit. In addition, work continues between OPS and industry through the development of a

national consensus standard (proposed ASME B31Q) that will include clarified definitions to promote consistency. To expand the definition of “covered task” so significantly beyond that in the Part 192 is contrary to the expressed intent of OPS.

5. 480-93-017 Filing requirements for design, specification, and construction procedures

In the stakeholder workshop, commission staff clarified the intent of paragraph (2) of this rule as the opportunity to look at the safety of a non-standard pipeline. PSE submits the following suggested language to reinforce that the intent is not to micro-manage changes occurring under normal operations (i.e. the qualification of new weld procedures, revisions to standards based upon policy changes or industry best practices, acceptance of new commodities from competitive vendors, or construction variances necessary due to specific circumstances on a particular job.)

PSE suggests the use of the term “pipeline” in this rule instead of “gas pipeline facility” or “pipeline facility”. The term “pipeline” is defined in 49CFR Part 192 and includes all “facilities through which gas moves . . .”.

The timeline change proposed by staff could more than double the approval time if “all documentation necessary to evaluate . . .” is either not requested or not provided in a timely manner. PSE also believes it’s reasonable for commission response time to equal the time allowed operators to respond to commission requests.

Minor changes to previously submitted edits of paragraph (1) are also suggested.

480-93-017 Design, specification, and construction ~~procedures~~standards.

- (1) ~~Any~~Every gas company operating a gas pipeline facility in this state must have on file with the ~~Commission~~commission all applicable design, specification, and construction ~~procedures~~standards used for each ~~pipelines in their system~~facility. ~~All~~The ~~procedures~~standards must detail the acceptable types of materials, fittings and components for the ~~different types of facilities~~all pipelines in the gas company’s system.
- (2) Every gas company must submit to the commission a complete set of project plans for any proposed pipeline whose ~~Any construction plans that do not conform with a gas company's existing and accepted design, specification, and construction standards are outside the scope of the gas company's existing and accepted standards~~ ~~procedures~~on file with the commission, must be submitted. The plans must be submitted to the commission at least forty-five days prior to the initiation of pipeline construction, activity. Written commission approval or rejection of the proposed design, specification, and construction ~~procedures~~standards to be utilized will be made within forty-five~~thirty~~days of receipt of all documentation necessary to evaluate the proposed construction activitypipeline construction.

6. 480-93-080 Welder and joiner identification and qualification certificates

PSE submits the following alternate language for proposed paragraph (5) of this rule to allow flexibility on whether the qualification date or qualification expiration is shown on the card. [Note: PSE previously recommended that this paragraph be re-numbered to (1).]

WAC 480-93-080 Welder and joiner ~~identification and qualification certificates~~

- (15) Welders and joiners must carry appropriate ~~identification and qualification~~ cards showing the name of the welder or joiner, their qualifications, date of last qualification or expiration of qualification, and the company whose procedures were followed for the qualification. Welders' and joiners' qualification cards will be subject to commission inspection at all times when qualified personnel are working on facilities gas pipelines subject to commission jurisdiction.

7. 480-93-115 Casing of pipelines.

At the stakeholder workshop, commission staff clarified that the requirements of paragraph (3) of this draft rule apply to all casings, including PVC conduit. PSE suggests the following amendment to paragraph (3) for clarity:

- (3) Whenever a gas company installs a pipeline in a casing or conduit of any type material, the casings ends must be sealed, to prevent the migration of gas.

8. 480-93-140 Meter regulators

At the stakeholder workshop, staff indicated that the proposed rule was in-line with regulator manufacturer's installation procedures. However, manufacturer's bulletins for residential service regulators recommend the use of a gauge for the purpose of monitoring downstream pressure during start-up and not explicitly for verifying the regulator outlet set pressure. For self-operated service regulators, the manufacturer inspects and tests 100% of the regulators for proper operating and relief set pressure based on the operator's specifications. PSE believes the draft proposed language for this rule is too prescriptive and, with regard to testing the regulator's outlet set pressure *at a specified flow rate* and testing associated safety devices, is not practical. PSE recommends the following performance based language for this rule:

WAC 480-93-140 ~~Meter-Service~~ regulators.

- (1) Meter-Service regulators must be installed, operated, and maintained in accordance with federal and state regulations, and in accordance with the manufacturers recommended installation and maintenance practices.

(2) ~~Meter regulators and associated safety devices installed on services must be inspected and tested during each start-up to determine whether they are in proper operating condition. Testing must include determining the gas regulator's outlet set pressure at a specified flow rate. Pressure gauges must be used downstream of the regulator during testing. Every gas company must have procedures for inspection and testing of service regulators prior to placing in service.~~

9. 480-93-155 Increasing maximum operating pressure

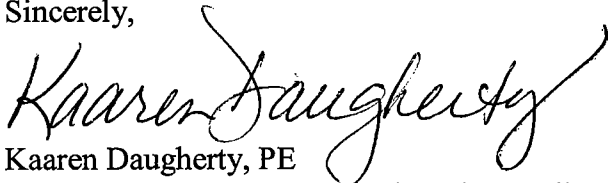
Commission staff proposes to require an approval for uprates. As discussed at the stakeholder workshop, PSE does not believe this is necessary because of the strict requirements for uprating contained within part 192 and the extent of information provided to the commission pursuant to rule 480-93-155. PSE suggest the following alternate language:

WAC 480-93-155 Increasing maximum allowable operating pressure

~~Each Whenever a gas company proposes to must submit to the commission for approval complete written plans and drawings at least 45 days before uprating a pipeline to a maximum allowable operating pressure (MAOP) greater than sixty pounds per square inch gauge, the company must submit complete written plans and drawings to the commission for review at least 45 days before commencing the uprate. The commission shall review the plan for compliance and prepare a consent order, when applicable, within 30 days of receipt of the plan. -~~ The plan must include a review of the following:

PSE looks forward to working cooperatively with commission staff on the development of the new and revised WAC Chapter 480-93 safety rules. Please contact me at your earliest convenience to arrange a date for the meeting on cathodic protection of bare steel pipelines. I can be reached at 425-462-3748.

Sincerely,



Kaaren Daugherty, PE
Consulting Engineer, Standards and Compliance

Cc: Kimberly Harris (PSE)
Sue McLain (PSE)
Greg Zeller (PSE)
Jim Hogan (PSE)