

PIPELINE SAFETY VIOLATION REPORT

United States Department Of Transportation
Pipeline and Hazardous Materials Safety Administration

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PART A - OPERATOR INFORMATION

Pipeline operator/owner: Puget Sound Energy		OPID #: 22189
Company Official name, title, telephone, FAX #: Sue McLain, Senior Vice President, Delivery Operations	Mailing address of Company Official: Puget Sound Energy PO Box 90868 M/S PSE-12N Bellevue, WA 98009-0868	
Nature and size of operator's system (total miles, HCA miles, products, environmental conditions, employees): Jackson Prairie storage is the 14th largest storage reservoir in the United States in terms of capacity for natural gas withdrawal and delivery to consumers. The facility is co-owned with equal rights with Puget Sound Energy, Avista Utilities, and Williams Northwest Pipeline. The facility was authorized for underground storage of natural gas in 1963 and certified for commercial service in 1970. Today, the facility has storage for 23 billion cubic feet and is expanding capacity to 25 billion cubic feet by 2012 with an additional 48 billion cubic of "cushion" to provide pressure in the reservoirs. The facility consists of a series of deep, underground reservoirs of porous sandstone deposits approximately 1,000 to 3,000 feet below the ground surface. The storage facility has 102 wells spread across 3,200 acres for injection and withdrawal points for natural gas. The facility can meet up to 25% of the Pacific Northwest's peak natural gas demand on the coldest winter days. Major components of the facility includes: four transmission pipeline, well points, gathering lines, filtration, coalesce, dehydration, compression units for injection to the storage field or interstate pipeline, and SCADA control unit.		

PART B - INSPECTION RESULTS

Date of Inspection: March 29 – 31, 2011, and April 20, 2011	<input checked="" type="checkbox"/> Gas <input type="checkbox"/> LNG <input type="checkbox"/> Hazardous Liquid	Unit #(s): 33875
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PHMSA/State Inspector name and organization:

Scott Rukke and Lex Vinsel, Washington UTC

Inspection location(s) and facilities inspected:

Puget Sound Energy

Jackson Prairie Natural Gas Storage Facility

239 Zandecki Rd

Chehalis, WA 98532

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PART C – VIOLATION and CIVIL PENALTY INFORMATION

Information shown in Part C of this Pipeline Safety Violation Report relates to probable violations, proposed compliance orders, and proposed civil penalties

VIOLATION NUMBER 1

Section C1 – Description of Violation

Identify the regulation violated with the part, section, and most specific paragraph of Title 49, such as 192.309(b)(3)(ii). Enter only one regulation:

§192.731 Compressor stations: Inspection and testing of relief devices.

- (a) Except for rupture discs, each pressure relieving device in a compressor station must be inspected and tested in accordance with §192.739 and 192.743, and must be operated periodically to determine that it opens at the correct set pressure.

.731 refers to .739

§192.739 Pressure limiting and regulating stations: Inspection and testing.

- a. Each pressure limiting station, relief device (except rupture discs), and Pressure regulating station and its equipment must be subjected at intervals not exceeding 15 months, but at least once each calendar year, to inspections and tests to determine that it is-
- (1) In good mechanical condition;
 - (2) Adequate from the standpoint of capacity and reliability of operation for the service in which it is employed;
 - (3) Except as provided in paragraph (b) of this section, set to control or relieve at the correct pressure consistent with the pressure limits of §192.201(a); and
 - (4) Properly installed and protected from dirt, liquids, or other conditions that might prevent proper operation.

So the operator did not meet the timeframe noted in 192.739 by reference from 192.731.

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Is this a violation of a condition in a Special Permit (Waiver)? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes - identify permit and describe violation: click here to enter
Describe the operator's conduct that violated the regulation: Dehydration unit relief valves were not inspected and tested in accordance with 192.739. Records indicate that valves 43, 44 and 76 were not inspected and tested in calendar year 2009 and also exceeded 15 months between inspection tests.
Describe the evidence: PSE Maintenance records for Relief Valves 43, 44 and 76, dated 1008, 2009 and 2010.
Person(s) interviewed (include each person's name, title, and an explanation of why this person's knowledge is important in establishing the violation): Jim Janson, Manager, Jackson Prairie, 360-262-3365 Darryl Hong, Compliance Coordinator, 425-462-3911 Rick Braaten, Plant Supervisor, 360-262-0119
Comments of person(s) interviewed regarding the violation (include names of any witnesses to the conversation): Jim Janson was surprised that the 3 valves were not inspected and tested in 2009. Was not positive why but believed that it was due to 1 of 2 reasons. The 3 valves are high up and in an area that a standard lift truck does not have access them. So it was a safety issue that they were not operated until proper equipment could be rented. Another scenario is that additional maintenance was performed in early 2010 and when it was entered it may have overridden the required compliance records done previously in 2009. PSE is checking whether this may have happened and if so it may take some software programming to solve this glitch. All personnel were surprised that the records indicate they were missed in 2009.
<u>NATURE</u>
Describe the nature of the violation in terms of: activities (conduct of activities such as inspections, tests, preparing procedures, maintenance, meetings, notifications, reports); or equipment/facilities (such as safety equipment not installed, missing, defective or inoperative); or records (identify the missing records or the records that were reviewed): The above information seems to answer this question also:

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Jim Janson was surprised that the 3 valves were not inspected and tested in 2009. Was not positive why but believed that it was due to 1 of 2 reasons. The 3 valves are high up and in an area that a standard lift truck does not have access to. So it was a safety issue that they were not operated until proper equipment could be rented.

Another scenario is that additional maintenance was performed in 2010 and when it was entered it may have overridden the required compliance records done previously. PSE is checking whether this may have happened and if so it may take some software programming to solve this glitch.

CIRCUMSTANCES

Describe who discovered the violation (operator, PHMSA, public) and the duration of the violation:

This probable violation was discovered during the regular PHMSA/UTC records review by the reviewing inspectors.

GRAVITY

Gravity relates to the seriousness of the probable violation, and includes consideration of whether it posed a significant threat to public safety and protection of the environment and where this threat occurred.

Enter the number of instances of the violation:

Three

<p><i>Non-IM Violation Only</i></p> <p><i>Select all that apply</i></p>	1	<input type="checkbox"/>	The non-compliance affected the operator's emergency response capability
	2	X	The non-compliance had a minimal effect on pipeline integrity or safe operation of the pipeline and did not pose a significant threat to public safety or the environment
	3	<input type="checkbox"/>	The non-compliance posed a significant threat to pipeline integrity or safe operation of the pipeline, or if left uncorrected would likely pose such a threat
	4	<input type="checkbox"/>	The location of the noncompliance in items 2 and 3 (above) was in or affected a populated area, an HCA, an HCA "could affect" segment, a road or RR crossing, a plant/station, or similar area
	5	<input type="checkbox"/>	The non-compliance was a causal factor in, or contributed to the cause(s) of, a reportable accident/incident.
	6	<input type="checkbox"/>	The non-compliance contributed to increasing the severity of the consequences of a reportable accident/incident
	7	<input type="checkbox"/>	The non-compliance was a causal factor in a minor (non-reportable) release of product

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	For selection 3 (above) describe the potential impact of this violation on <u>public safety</u> ? No public safety impact.	
	For selection 3 (above) describe the potential impact of this violation on the <u>environment</u> ? No environmental impact.	
<i>IM Violation only</i>	Enter the Area Finding & Risk Category data: • Area Finding: click here to enter • Risk Category (A-E): click here to enter	
<u>Section C2 – Consequences of an Accident/Incident</u>		
<i>Select all that apply</i>	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	There was no accident/incident (continue to Section C3) The event was reportable (§ 191.3 or § 195.50) regardless of whether it was reported by the operator. One or more persons were evacuated. How many?: click here to enter A cleanup of the resulting environmental damage was required. One or more persons were injured and transported to a medical facility (regardless of whether as in-patient or out-patient). How many?: click here to enter One or more fatalities. How many?: click here to enter Other: Describe: click here to enter
<u>Section C3 – Additional Considerations</u>		
	X	A civil penalty is not proposed for this violation (continue to <u>Section C4</u>).

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CULPABILITY

This civil penalty assessment consideration is based on how culpable - or blameworthy - the operator is for the non-compliance.

Culpability does not consider actions taken by the Operator after PHMSA has discovered the noncompliance.

<i>Select one</i>	<input type="checkbox"/>	<p>The operator failed to take any action to comply with a regulatory requirement that was clearly applicable to its facility.</p> <p>Describe: click here to enter</p>
	<input type="checkbox"/>	<p>The operator made a minimal attempt to comply.</p> <p>Describe: click here to enter</p>
	<input type="checkbox"/>	<p>The operator was cognizant of the regulatory requirement and took some steps to address the issue, but did not achieve compliance.</p> <p>Describe: click here to enter</p>
	<input type="checkbox"/>	<p>The operator was cognizant of the regulatory requirement and took significant steps to address the issue, but had some degree of justification for not taking all practicable steps to achieve compliance at its facility.</p> <p>Describe: click here to enter</p>
	<input type="checkbox"/>	<p>The operator was diligent in taking all practicable steps to comply but failed to achieve full compliance for reasons such as unforeseeable events/conditions that were partly or wholly outside its control; or the operator is a small or new operator in the process of building and strengthening its compliance program, or similar reasons.</p> <p>Describe: click here to enter</p>

GOOD FAITH

This civil penalty assessment consideration is based on the reasonableness of an operator's understanding of the cited regulatory requirement

<i>Select one</i>	<input type="checkbox"/>	<p>GOOD FAITH exists if there is more than one reasonable interpretation as to how to implement the requirement at the facility and the operator had a credible belief that its approach was faithful to its duty to meet its obligation.</p> <p>Describe: click here to enter</p>
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	<p>GOOD FAITH does not exist if there is guidance publicly available to operators on the subject and the operator did not act in accordance with the guidance, the operator failed to follow the only accepted industry practice, or if there is only one manner of implementing the requirement at the facility sufficient to accomplish the purpose of the requirement and the operator did otherwise.</p> <p>Describe: click here to enter</p>			
<p>Additional Comments applicable to civil penalty (Optional) <i>(including other matters as justice may require and economic benefit gained from noncompliance)</i></p>				
	Describe: click here to enter			
Section C4 – Proposed Action				
<i>Select one</i>	<input type="checkbox"/>	Civil penalty	<input type="checkbox"/>	Civil penalty and compliance order
	<input type="checkbox"/>	Compliance order	<input checked="" type="checkbox"/>	Other - describe: Issue a Warning Letter

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VIOLATION NUMBER 2

Section C1 – Description of Violation

Identify the regulation violated with the part, section, and most specific paragraph of Title 49, such as 192.309(b)(3)(ii). Enter only one regulation:

§192.13 What general requirements apply to pipelines regulated under this part?

c. Each operator shall maintain, modify as appropriate, and follow the plans, procedures, and programs that it is required to establish under this part.

Is this a violation of a condition in a Special Permit (Waiver)?

X No Yes - identify permit and describe violation: [click here to enter](#)

Describe the operator's conduct that violated the regulation:

PSE procedure 4515.1760 requires that pits over 10% of the wall thickness in depth be submitted to PSE's engineering department for review and analysis. This was not done at the time of detection. PSE has recently conducted remaining strength calculations and all pipe risers in question were OK to continue operating at current MAOP.

1. Found 6/17/2009, Meter Station 14" mainline – pit depth found, .03". Depth requiring notification - .022-.028"
2. Found 6/11/2009, Site 10" Riser w. of well #27 – pit depth found, .06". Depth requiring notification - .019-.022"
3. Found 6/12/2009, Site 6" riser well #75 – pit depth found, .02". Depth requiring notification - .019"
4. Found 6/6/2008, Site 8" riser east of SU #29 – pit depth found, .05". Depth requiring notification - .019"
5. Found 6/6/2008, Site 8" riser south of well #53 – pit depth found .06". Depth requiring notification - .019"
6. Found on 6/6/2008, Site 8" riser east of well #56 – pit depth found .03". Depth requiring notification - .019"
7. Found on 6/6/2008. Site 6" riser well #50 – pit depth found .05". Depth requiring notification - .019"

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Describe the evidence:

2008 and 2009 atmospheric corrosion survey records.
PSE Procedure 4515.1760 for 2008 and 2009
2011 Remaining Strength Calculations done May 2011

Person(s) interviewed (include each person's name, title, and an explanation of why this person's knowledge is important in establishing the violation):

Jim Janson, Manager, Jackson Prairie, 360-262-3365
Darryl Hong, Compliance Coordinator, 425-462-3911
Rick Braaten, Plant Supervisor, 360-262-0119

Comments of person(s) interviewed regarding the violation (include names of any witnesses to the conversation):

They believed that since they had previously conducted the required notification on a previously found corrosion pit that the rest of the pits found were OK. They also provided a Journal entry dated June 12/13, 2008 indicating that they thought they may have contacted their engineering department and discussed the other pits that were found. They believed that any pits found were well within the maximum depth allowed for their current MAOP. Subsequent calculations have shown this assumption to be correct.

NATURE

Describe the nature of the violation in terms of: activities (conduct of activities such as inspections, tests, preparing procedures, maintenance, meetings, notifications, reports); or equipment/facilities (such as safety equipment not installed, missing, defective or inoperative); or records (identify the missing records or the records that were reviewed):

The above entry best describes this question:

They believed that since they had previously conducted the required notification on a previously found corrosion pit that the rest of the pits found were OK. They also provided a Journal entry dated June 12/13, 2008 indicating that they thought they may have contacted their engineering department and discussed the other pits that were found. They believed that any pits found were well within the maximum depth allowed for their current MAOP. Subsequent calculations have shown this assumption to be correct.

CIRCUMSTANCES

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Describe who discovered the violation (operator, PHMSA, public) and the duration of the violation:

UTC inspectors during the standard gas storage field inspection. The 6/2008 findings went approximately until May 1, 2011. The June 2009 findings went until approximately May 1, 2011. So a couple months shy of 3 and 2 years respectively.

GRAVITY

Gravity relates to the seriousness of the probable violation, and includes consideration of whether it posed a significant threat to public safety and protection of the environment and where this threat occurred.

Enter the number of instances of the violation:

Seven.

<p><i>Non-IM Violation Only</i></p> <p><i>Select all that apply</i></p>	1	<input type="checkbox"/>	The non-compliance affected the operator's emergency response capability
	2	X	The non-compliance had a minimal effect on pipeline integrity or safe operation of the pipeline and did not pose a significant threat to public safety or the environment
	3	<input type="checkbox"/>	The non-compliance posed a significant threat to pipeline integrity or safe operation of the pipeline, or if left uncorrected would likely pose such a threat
	4	<input type="checkbox"/>	The location of the noncompliance in items 2 and 3 (above) was in or affected a populated area, an HCA, an HCA "could affect" segment, a road or RR crossing, a plant/station, or similar area
	5	<input type="checkbox"/>	The non-compliance was a causal factor in, or contributed to the cause(s) of, a reportable accident/incident.
	6	<input type="checkbox"/>	The non-compliance contributed to increasing the severity of the consequences of a reportable accident/incident
	7	<input type="checkbox"/>	The non-compliance was a causal factor in a minor (non-reportable) release of product

For item 3 (above) describe the potential impact of this violation on public safety?

No impact on public safety.

For item 3 (above) describe the potential impact of this violation on the environment?

No environmental impact.

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<i>IM Violation only</i>	<p>Enter the Area Finding & Risk Category data:</p> <ul style="list-style-type: none"> • Area Finding: click here to enter • Risk Category (A-E): click here to enter
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Section C2 – Consequences of an Accident/Incident

<i>Select all that apply</i>	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<p>There was no accident/incident (continue to Section C3)</p> <p>The event was reportable (§ 191.3 or § 195.50) regardless of whether it was reported by the operator.</p> <p>One or more persons were evacuated. How many?: click here to enter</p> <p>A cleanup of the resulting environmental damage was required.</p> <p>One or more persons were injured and transported to a medical facility (regardless of whether as in-patient or out-patient). How many?: click here to enter</p> <p>One or more fatalities. How many?: click here to enter</p> <p>Other: Describe: click here to enter</p>
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Section C3 – Additional Considerations

	X	A civil penalty is not proposed for this violation (continue to <u>Section C4</u>).
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CULPABILITY

This civil penalty assessment consideration is based on how culpable - or blameworthy - the operator is for the non-compliance.

Culpability does not consider actions taken by the Operator after PHMSA has discovered the noncompliance.

<i>Select one</i>		<p>The operator failed to take any action to comply with a regulatory requirement that was clearly applicable to its facility.</p> <p>Describe: click here to enter</p>
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		<p>The operator made a minimal attempt to comply.</p> <p>Describe: click here to enter</p>
		<p>The operator was cognizant of the regulatory requirement and took some steps to address the issue, but did not achieve compliance.</p> <p>Describe: click here to enter</p>
		<p>The operator was cognizant of the regulatory requirement and took significant steps to address the issue, but had some degree of justification for not taking all practicable steps to achieve compliance at its facility.</p>
		<p>The operator was diligent in taking all practicable steps to comply but failed to achieve full compliance for reasons such as unforeseeable events/conditions that were partly or wholly outside its control; or the operator is a small or new operator in the process of building and strengthening its compliance program, or similar reasons.</p> <p>Describe: click here to enter</p>
<p><u>GOOD FAITH</u></p> <p><i>This civil penalty assessment consideration is based on the reasonableness of an operator's understanding of the cited regulatory requirement</i></p>		
<i>Select one</i>		<p>GOOD FAITH exists if there is more than one reasonable interpretation as to how to implement the requirement at the facility and the operator had a credible belief that its approach was faithful to its duty to meet its obligation.</p> <p>Describe: click here to enter</p>
		<p>GOOD FAITH does not exist if there is guidance publicly available to operators on the subject and the operator did not act in accordance with the guidance, the operator failed to follow the only accepted industry practice, or if there is only one manner of implementing the requirement at the facility sufficient to accomplish the purpose of the requirement and the operator did otherwise.</p> <p>Describe: click here to enter</p>

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Additional Comments applicable to civil penalty (Optional)
(including other matters as justice may require and economic benefit gained from noncompliance)

Describe: [click here to enter](#)

Section C4 – Proposed Action

<i>Select one</i>	<input type="checkbox"/>	Civil penalty	<input type="checkbox"/>	Civil penalty and compliance order
	<input type="checkbox"/>	Compliance order	X	Other - describe: Issue a Warning Letter.

PART D HISTORY of PRIOR OFFENSES

(complete this section only if at least one of the violations in this case has a proposed civil penalty)

(Prior offenses for the 5 year period prior to the estimated date of this Violation Report's Notice letter)

Date of Final Order	CPF #	What type of enforcement action(s) (CO, CP) are in the Final Order ?	Number of offenses in Final Order	Identify the regulation(s) violated (Part, Section, and specific Paragraph)
click here	click here	click here	click here	click here
click here	click here	click here	click here	click here
click here	click here	click here	click here	click here
click here	click here	click here	click here	click here

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Inspector's signature & organization

Date:

Scott Rukke, WA UTC

5/24/2011

PHMSA Region Director's signature

Date:

(Rev. 2/2010)

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Evidence Exhibit A

Name of Operator: Puget Sound Energy

Violation number(s) supported by the evidence	Evidence (attached)	Evidence provided by:	
		Name of person	Name of Company (or other organization) this person represents
1	Maintenance records for RV 43	Darryl Hong	PSE
1	Maintenance records for RV 44	Darryl Hong	PSE
1	Maintenance records for RV 76	Darryl Hong	PSE

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Evidence Exhibit B

Name of Operator: Puget Sound Energy

Violation number(s) supported by the evidence	Evidence (attached)	Evidence provided by:	
		Name of person	Name of Company (or other organization) this person represents
2	2008 atmospheric corrosion survey records.	Darryl Hong	PSE
2	2009 atmospheric corrosion survey records	Darryl Hong	PSE
2	2008 PSE Pit Procedure 4515.1760	Darryl Hong	PSE
2	2009 PSE Pit Procedure 4515.1760	Darryl Hong	PSE
2	Remaining Strength Calculations completed in May 2011	Darryl Hong	PSE
2	Email and Journal notes indicating that PSE has completed a pit assessment on at least one occasion and may have had further discussions by phone.	Jim Jensen	PSE

Press TAB in above cell for more rows