



U.S. Department
of Transportation

Pipeline and Hazardous
Materials Safety
Administration

1200 New Jersey Avenue, SE
Washington, D.C. 20590

JUN 27 2008

2008 JUN -7 AM 8:43

Ms. Carole J. Washburn
Executive Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Dr. S.W.
P.O. Box 47250
Olympia, WA 98504-7250

Dear Ms. Washburn:

The Pipeline and Hazardous Materials Safety Administration (PHMSA) has reviewed your letter of March 14, 2008, notifying us that the Washington Utilities and Transportation Commission (WUTC) (Commission) granted Northwest Natural Gas (NWN), a waiver of a portion of the requirements in the Washington Administrative Code (WAC) 480-93-100, relative to the operation of certain critical valves. This regulation requires pipeline operators to have a written valve maintenance program and to detail in the program which valves will be maintained under 49 CFR §§ 192.745 and 192.747.

The Federal pipeline safety regulations in § 192.745 require the operator of each gas transmission pipeline to inspect and partially operate each transmission line valve that might be required during any emergency at intervals not exceeding 15 months, but at least once each calendar year. Section 192.747 requires the operator of a gas distribution system, to check and service each valve that may be necessary for the safe operation of the distribution system at intervals not exceeding 15 months, but at least once each calendar year.

The Commission approved the waiver on March 13, 2008, and it is in effect from February 1, 2008, until July 1, 2010. The waiver applies to the partial operation of "known and suspected valves manufactured by PBV-USA." It is intended to promote public safety by allowing NWN time to complete a root cause analysis of a recent catastrophic failure of a 12-inch valve, which failed after being fully operated one time. The waiver allows NWN to "operate and maintain these valves on a limited scope until the remediation is completed" or until the waiver expires on July 1, 2010, whichever is sooner.

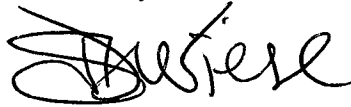
The WUTC order requires NWN to meet the following conditions:

- a) *Each potentially affected valve will be leak surveyed utilizing gas detection instrumentation at intervals not exceeding 4 ½ months, but at least four times each calendar year until such time as the valve is remediated or eliminated from consideration.*
- b) *Northwest Natural Gas Company will provide to Commission Staff a list of all known suspect valves, their locations, size, and installation date as the information becomes available during the course of the investigation.*

- c) *On or before July 15, 2008, Northwest Natural Gas Company will provide to Commission Staff its findings on the root cause investigation and a remediation plan and schedule for addressing the affected valves.*
- d) *Northwest Natural Gas Company will provide to Commission Staff monthly updates on the status of this process until completion."*

Because NWN is required to establish interim procedures and to meet all four conditions as stipulated by the Commission, PHMSA does not object to this waiver. We also request the Commission to keep PHMSA apprised of the results of any forensic metallurgical analysis and the pipeline operator's root cause failure analysis.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Wiese", written over a horizontal line.

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety