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May 25, 2012

VIA: Electronic Mail

David Danner
Executive Director and Secretary
Washington Utilities & Transportation Commission
1300 S. Evergreen Park Drive S. W.
P.O. Box 47250
Olympia, Washington 98504-7250

Re: Comments of Avista Utilities - Docket No. PG-120345

Dear Mr. Danner,

On March 21, 2012, the Washington Utilities and Transportation Commission (Commission) filed with the Code Reviser a Preproposal Statement of Inquiry (CR-101) to consider establishing requirements for gas pipeline operators to report data and documentation to the Commission of damage to pipeline facilities in violation of Chapter 19.122 RCW. The Commission filed the CR-101 in the above referenced Docket.

On April 20, 2012, the Commission received a request by the Northwest Gas Association (NWGA) for an extension of time to file written comments. NWGA stated that it could provide more useful comments if the Commission extended the deadline to a date after the May 10, 2012, stakeholder workshop. The Commission found NWGA's request reasonable.

Accordingly, the Commission extended the deadline for filing comments to May 25, 2012.

The 2011 Legislature amended the underground utilities law, Chapter 19.122 RCW.¹ These changes take effect on January 1, 2013. This new law assigns to the Commission authority to enforce violations of the underground utilities law as these related to pipelines. The Commission will initiate this rulemaking to determine whether pipeline companies need to report additional information about damage to their facilities caused by excavators that have violated the underground utilities law.

To assist in determining whether to establish additional incident reporting requirements, as well as the specifics of such requirements, the Commission requested that interested persons provide written comments on the benefits and costs associated with additional incident reporting requirements. The following is Avista Utilities' response to address the Commission's questions:

1. When an excavator damages your pipeline facilities, describe the investigation your company conducts and the documentation you typically develop about the damage event.

Avista Response: Avista responds to all known damage whether it results in the release of gas or not. Damage resulting in the release of gas is typically responded to within 1 hour. Damage without the release of gas is responded to within 2 hours.

An Avista first responder (Gas Serviceman) will respond to all known pipe damage. The first responder is responsible for making the situation safe, documenting the incident, and coordinating the repair activities.

The Avista first responder is responsible for capturing the information contained within the following Avista documentation:

- a) Major Incident Report (Enclosed)
- b) Exposed Piping Report (Enclosed)

In situations where there is residual gas in the area of the damage, a residual gas follow-up leak survey order is generated and the area monitored until the absence of residual gas can be verified. Areas with residual gas requiring monitoring are typically the result of

¹ The bill, the Underground Utility Damage Prevention Act (E2SHB-1634), was passed unanimously by the Legislature and signed by the Governor on May 5, 2011.

inadvertent pipeline damage that is not reported, reburied, and then identified by Avista at a later date. The duration of the residual follow-up can vary between one day and possibly months if the residual gas is contained under a capped surface or frozen ground.

Avista's Claims Department assists with all damages in which the customer or third party is responsible for the damage. The claims department is responsible for generation of a bill for the actual costs following the final repair and calculation of the gas loss. The claims process to determine final cost can vary between one week and many months depending upon the severity of the incident.

All excavation damage is reviewed by the local area construction manager. The manager review process is typically completed within 14 days of the incident.

2. How long does it typically take you to complete your investigation of damage events?

Avista Response: Damage events that do not involve claims are typically resolved within 30 days. The known information is captured on Avista's "Major Gas Incident Report" and any residual leak testing is completed within 30 days.

Damage events that involve claims, those in which an excavator can be identified and they are at fault, are typically resolved between one week and many months, dependent upon the severity of the incident.

3. What do you estimate it would cost your company to expand its current incident reporting to cover all instances of: (1) damage to your facilities by excavators that have not obtained a locate, (2) excavators digging within 35 feet of your transmission line without a locate, and (3) damage to or removal of marks indicating the location or presence of your facilities?

Avista Response:

- (1) Avista currently reports all known damage whether the excavator has or has not obtained a locate. The information is reported annually in accordance with WAC 480-93-200(7)(b). Therefore, the Company's costs associated with its current incident reporting would not change.
- (2) Avista does not report or monitor for excavation activities within 35 feet of its transmission facilities that do not include a locate.

It is Avista's understanding, as communicated within the WUTC workshop on May 10th, 2012 that the intent of this question is not to expect exhaustive knowledge of all excavation activities within 35 feet of our transmission facilities

but for Avista to communicate non-compliances with the 35 foot requirement when we are made knowledgeable of such an event. The Company does not anticipate any increased incident reporting costs associated with reporting these events when they are known.

Related to this question, Avista currently completes transmission line surveys in accordance with 49 CFR 192.705 (Transmission lines: Patrolling). The frequency of the patrols varies in accordance with class location but in no case does it exceed four times per year.

- (3) Avista does not monitor for the damage to, or removal of, marks indicating the location or presence of Avista facilities. The current procedure only requires facilities to be located, maintenance of the locate marks are the contractors responsibility as detailed within 19.122.030(6)(a).

19.122.030(6)(a): “Once marked by a facility operator, an excavator is responsible for maintaining the accuracy of the facility operator’s markings of underground facilities for the lesser of: (i)..... or (ii) The duration of the project”

Implementation of a requirement to monitor and report the damage to or removal of marks indicating the location or presence of facilities would include substantial costs for Avista and its ratepayers.

It is Avista’s understanding, as communicated within the WUTC workshop on May 10th, 2012 that the intent of this question is not to expect exhaustive knowledge of “damage to or removal of marks indicating the location of your facilities”, but for Avista to communicate the condition of locates when damage is incurred.

Consequently, it is proposed that instead of monitoring exhaustively for “damage to or removal of marks indicating the location or presence of your facilities” that Avista capture information related to the condition of locate marks when damage is incurred. The Company does not anticipate any increased incident reporting costs associated with reporting the removal of locate marks when found.

4. What could the Commission do to reduce costs associated with the additional incident reporting suggested above?

Avista Response:

Avista proposes that the Commission modify the monitoring requirements as discussed above. Any requirement for Avista to capture information or respond to information that is not readily available through the One-Call process will be very expensive and challenging to implement.

Again, Avista thanks the Commission for the opportunity to participate in the workshop on May 10th, 2012 and for the extension of the comment period following the meeting. Avista is committed to facilitating a successful implementation of the new Underground Utilities Code and appreciates the opportunity to be involved in discussions and provide written comments regarding possible amendments to the reporting rules contained within WAC 480-93.

If you have any questions regarding these comments, please contact David Howell at 509-495-8719 or myself at 509-495-4975.

Sincerely,

/s/Linda Gervais

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