

Cascade Natural Gas Corporation
Response to Proposed WAC 480-93 Revision, Dated April 6, 2004
May 14, 2004

Text enclosed in boxes is proposed rule text.

Text outside of boxes is Cascade Natural Gas comments.

If a proposed rule does not appear in this document, Cascade Natural Gas does not expect a significant cost impact in comparison to our current operations.



WAC 480-93-100 Valves.

(1) Each operator must have a written valve maintenance program detailing the valve selection process, inspection, maintenance, and operating procedures. The written program must detail which valves will be maintained under 49 CFR \approx 192.745, 49 CFR \approx 192.747, and WAC 480-93-100. The written program will also outline how the operator will monitor and maintain valves during construction projects to ensure accessibility.

(2) The following criteria and locations must be considered when selecting which valves require annual inspections and maintenance under 49 CFR \approx 192.747:

- (a) Each pressure regulating station.
- (b) Principle feeds into business districts.
- (c) Geographical size of the area to be isolated.
- (d) Number of potential customers affected.
- (e) Pipeline size and operating pressures.
- (f) Class locations.
- (g) Potential threats including, but not limited to, earthquakes, floods, and landslides.
- (h) Emergency response time.
- (i) High occupancy structures or areas.

(3) The following service line installations, over 20 feet in length, must have a shut-off valve installed far enough away from the building to be accessible in an emergency.

- (b) Services to churches, schools, hospitals.

- (c) Services to commercial buildings within business districts.
- (d) Services to buildings of public assembly.

(4) Valves installed on services identified in section (3) must be operated and maintained at least once annually, but not to exceed fifteen months between operation and maintenance.

The requirements of paragraph (4) prescribe the addition of valves to our distribution system, and prescribe additional valve maintenance activities.

Average maintenance for each valve will take 1/4 hour. Cascade has 21,000 commercial accounts. The estimates assume that all 21,000 are included in the paragraph (3) description. Assuming that the minimum qualified individual was assigned the work at a cost of \$54 per hour, this rule could cost \$567,000 per year.

The estimates do not factor the administrative costs for tracking and managing this maintenance. The estimates do not factor the storage cost for maintenance records. The estimates do not include construction costs associated with purchase and installation of these valves. The per hour labor cost does include employee overhead costs.

WAC 480-93-110 Corrosion control.

- (6) Operators must conduct inspections or tests for electrical isolation between metallic pipeline casings and metallic pipelines at least once annually, but not to exceed fifteen months between inspections or tests. The test or inspection must also determine whether the pipeline has adequate levels of cathodic protection at the casing to pipeline interface. These requirements do not apply to unprotected copper inserted in ferrous pipe.
 - (a) For each casing installed prior to September 5, 1992, that does not have test leads, the operator must be able to demonstrate that other test or inspection methods are acceptable and that test lead wires are not necessary to monitor for electrical isolation and adequate cathodic protection levels.
 - (b) Whenever electrical isolation tests or inspections indicate that a possible shorted condition exists between a casing and a pipeline, the operator must

conduct a follow up test within ninety days to determine whether an actual short exists. The operator's procedures manual must have a level or threshold that would indicate a potential shorted condition and must also detail the method of determining whether the casing is actually shorted to the pipeline.

- (c) Where an operator determines that a casing is shorted to the pipeline the operator must conduct an evaluation within ninety days to determine whether a potentially corrosive condition exists. The operator must keep records of this evaluation for the duration the facility is in service. The operator's procedures manual must detail the evaluation procedures.
- (d) The operator must clear the shorted condition where practical.
- (e) Whenever a short exists between a pipeline and casing, the operator must perform a leak survey within ninety days of discovery and at least twice annually thereafter, but not to exceed seven and one half months between leak surveys until the shorted condition is eliminated.

Paragraph (6)(e) proposes to change the leak survey frequency for shorted casings from once every 90 days to once every six months. This will reduce the total visits required for leak survey by 50%.

Leak survey for each casing costs an average of 45 minutes labor (3/4 hour). Cascade has approximately 50 casings currently being leak surveyed at least four times per year. Assuming that the minimum qualified individual were assigned to leak survey each casing twice a year at a cost of \$54 per hour (includes benefit costs), this rule could save \$4,050 per year.

WAC 480-93-110 Corrosion control.

- (7) On all cathodically protected pipelines, the operator must take a cathodic protection test reading each time an employee or representative of the operator exposes the facility and the protective coating is removed.

Paragraph (7) proposes to add a requirement that cathodic protection readings be taken whenever the coating is removed from an existing underground pipe, such as when connecting a service tee. This will not significantly increase labor costs. This will affect administrative costs.

Reviewing and managing the records for these readings will require labor for Cascade's Corrosion Control Department. Each report will take approximately 10 minutes to review and file. Cascade added approximately 2000 service lines onto steel mains in 2003, making at least 2000 reports necessary. At a rate of approximately \$60 per hour for the technician (including overhead), the cost to review and file all reports shall be between \$20,000 per year.

WAC 480-93-200 Reports associated with operator facilities and operations.

- (1) Every operator must give notice to the commission by telephone within two hours of discovering an incident or hazardous condition arising out of its operations that:
 - (a) Results in a fatality or personal injury requiring hospitalization;
 - (b) Results in damage to the property of the operator and others of a combined total exceeding five thousand dollars (automobile collisions and other equipment accidents not involving gas or gas handling equipment need not be reported under this rule);
 - (c) Results in the evacuation of a dwelling, building, or area of public assembly;
 - (d) Results in the unintentional ignition of gas;
 - (e) Results in the unscheduled interruption of service furnished by any operator to twenty or more distribution customers;
 - (f) Is significant, in the judgment of the operator, even though it does not meet the criteria of (a) through (e) of this subsection; or,
 - (g) Results in the news media reporting the occurrence, even though it does not meet the criteria of (a) through (e) of this subsection.
- (2) Operators must give notice to the commission by telephone within twenty-four hours of occurrence of every incident or hazardous condition arising out of its

operations that:

- (a) Results from construction defects or material failure;
 - (b) Results in the uncontrolled release of gas for more than two hours;
 - (c) Results in the taking of a high pressure supply or transmission pipeline or a major distribution supply pipeline out of service; or,
- (a) Results in a pipeline or system operating at low pressure dropping below the safe operating conditions of attached appliances and gas equipment.
 - (e) When a pipeline or system pressure exceeds the maximum allowable operating pressure.
- (3) Routine or planned maintenance and operational activities of the operator that result in operator-controlled plant and equipment shut downs, reduction in system pressures except as noted in section (1) above, flaring or venting of gas, and normal leak repairs are not reportable items under this section.
 - (4) When a pipeline or system pressure exceeds the maximum allowable operating pressure plus ten percent or the maximum pressure allowed by proximity considerations outlined in WAC 480-93-020, the operator must notify the commission by telephone within two hours, to be followed by written explanation within thirty days;
 - (5) Operators must provide to the commission the reports required in section (1) above, verified in detail in writing within thirty days of the initial telephonic report. At a minimum, written reports must include the following:
 - (a) Name(s) and address(es) of any person or persons injured or killed, or whose property was damaged;
 - (b) The extent of such injuries and damage;
 - (c) A description of the incident or hazardous condition including the date, time, and place;

- (d) A description of the gas facilities involved in the incident or hazardous condition, the system operating pressure at that time, and the maximum allowable operating pressure of the facilities involved;
 - (e) The date and time the gas facility was made safe;
 - (f) The date, time, and type of any temporary or permanent repair made; and
 - (g) The cost of the incident to the operator.
- (6) Operators must provide to the commission a written report within forty-five days of receiving the failure analysis of any incident or hazardous condition that was due to construction defects or material failure.
- (7) Operators must file with the commission a copy of every Research and Special Programs Administration (RSPA) F-7100.1-1 and F-7100.2-1 annual report required by U.S. Department of Transportation, Office of Pipeline Safety. In addition to the above required forms, operators must file with the commission the report titled, "Damage Prevention Statistics," with the corresponding RSPA fiscal year. The Damage Prevention Statistics report must include in detail the following information:
- (a) Number of gas related One-Call locate requests completed in the field;
 - (b) Number of third-party damages incurred; and,
 - (c) Cause of damage:
 - (ii) A locate is not accurate;
 - (iii) The operator failed to use reasonable care; or,
 - (iii) Excavated prior to a locate being conducted.
- (8) Operators must file with the commission, and with appropriate officials of all municipalities where operators have facilities, the names, addresses, and

telephone numbers of the responsible officials of the operator who may be contacted in the event of an emergency. In the event of any changes in operator personnel, the operator must notify immediately the commission and municipalities.

- (9) Operators must send daily reports of construction and repair activities electronically to the commission. Operators may send reports either by facsimile or e-mail to the commission. The reports must be received no later than 10:00 a.m. each day of the scheduled work, and must include both operator and contractor construction and repair activities.
- (10) When an operator is required to file a copy of a RSPA Drug Testing and Alcohol Testing Management Information System (MIS) "EZ" Data Collection Form with the U.S. Department of Transportation, Office of Pipeline Safety, the operator must simultaneously submit a copy of the form to the commission.

Proposed paragraph 1(c) would require notification in the event a dwelling, building or area of public assembly is evacuated. This notification is not currently required. Cascade has not kept statistics on this type of event. The labor for each telephonic notification and written follow-up is approximately 3 hours at a rate of approximately \$60 per hour, totaling \$180 per telephonic notification. We estimate that at least 10 evacuations and notifications might occur, costing \$1,800 per year.

Proposed paragraph (9) requires daily reports to the Commission regarding Cascade construction activities. Existing pipeline safety rules do not require this activity. It requires 10 minutes to prepare and send a work report. Cascade has 10 operations bases that prepare these work reports 5 times a week, i.e. 250 business days. Assuming the cost for the labor is \$54 per hour (including overhead), this proposed rule will cost Cascade \$22,500 per year.