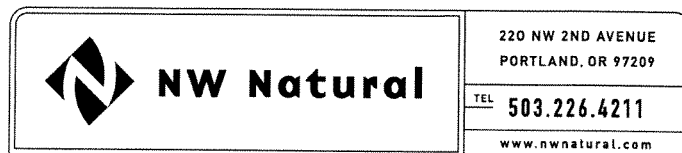


Kerry F. Shampine, P.E.
Manager, Code Compliance
(503) 226-4211 Ext. 4340
FAX (503) 273-4822
kerry.shampine@nwnatural.com



May 25th, 2012

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

Subject: Docket PG-120345
Rulemaking to Consider Damage Reporting Requirements for Natural Gas
Pipeline companies
In WAC 480-93

Dear Mr. Danner:

NW Natural appreciates and welcomes the opportunity to participate in the process of the WUTC Pre-proposal Statement of Inquiry (CR-101) and offers the following responses to that inquiry.

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

NW Natural dispatches a First Responder (FR) and a repair crew to all reported damages. An additional resource, a Damage Prevention Specialist, is also notified of all damages in their assigned areas. The FRs' primary responsibility is to assess the situation and make the area safe. Once this is accomplished, the FR conducts further assessment to determine any additional needs prior to a repair crew arriving. This often includes working directly with other emergency responders on scene. The FR is responsible for completing a report that gathers information with regard to the damage location, damaging agency, and other general damage information associated with the event. This information becomes part of a Report of Damage Form.

Once the repair crew has responded and completed the repair, the crew leader is responsible for completing reports that include a Damage Repair Field Report that details general information about the repair and resources used to complete the repair. This information is included with the Report of Damage Form. Once the crew leader completes this portion of the report it is electronically sent to the Operations Field Supervisor for review and approval.

The Damage Prevention Specialist investigates the damage site and completes a Root Cause Analysis. Interviews are conducted with all parties involved. Photographs are taken at the damage site when possible, to document the scene and aid in describing all appropriate aspects of the damage. The root cause information is then added to the Report of Damage Form and

forwarded to the Risk and Land Department to assist in the claims process. The Damage Prevention Specialist will compile an additional report that includes all pertinent information relating to the root cause analysis, including any photographs and forward to the Damage Prevention Supervisor for review and approval.

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

In most cases it requires 2 to 12 business days for the completion of an investigation and billing to occur.

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
- (3) Damage to or removal of marks indicating the location or presence of your facilities?

(1) NW Natural currently tracks and reports ALL damages by excavators that have not obtained a locate request. Those damaging parties are given a 10 day window to schedule training with a Damage Prevention Specialist on the Washington Dig Law. NW Natural offers a 25% reduction to the cost of the repair bill as an incentive for the damaging party to accept the training.

In 2011, (20) excavators caused damages to NW Natural facilities in our Washington service territory by failing to call for locates. All (20) agreed to the training and their bills for repair were reduced by 25%.

(2) NW Natural currently patrols their transmission lines as required in 49 CFR 192.705 (Transmission Lines: Patrolling). These patrols vary due to the class location requirements but do not exceed 4 times per year. If NW Natural were to institute 'continuous' patrolling along these corridors the costs would be substantial. These costs would likely be borne by ratepayers and may not provide an additional benefit beyond today's patrol practices.

(3) NW Natural currently provides training to excavation contractors indicating the need to maintain locate marks during their projects. NW Natural also has an existing procedure in place which requires the periodic survey for marker posts as required by WAC 480-93-124. This procedure includes a step-by-step process for replacement of these marker posts as needed when found to be destroyed or damaged.

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

NW Natural is proud of its current enhanced damage prevention program which was developed and implemented over a decade ago. We appreciate and support the efforts of the WUTC as it aggressively works to assure that the State of Washington has an excavation safety record it can be equally proud of. To date, NW Natural feels that we currently meet the reporting requirements raised in questions #1 thru #3, except for item #3.2. As previously stated, if the State were to implement the proposal in #3.2, NW Natural would have to consider the impact on current rates moving forward.

We appreciate the opportunity to respond to CR-101 and welcome any future discussions regarding this or other relevant safety related topics.

Sincerely,



Kerry F. Shampine, P.E
Manager, Code Compliance



Gary Hyatt
Supervisor, Damage Prevention