

NORTHWEST INDUSTRIAL GAS USERS

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SUBMITTED VIA ELECTRONIC MAIL TO records@wutc.wa.gov ON 8/27/04

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

**Re: Docket UG-011073 (Gas Companies-Safety Rulemaking, Chapter 480-93),
Comments of the Northwest Industrial Gas Users**

Dear Ms. Washburn,

In response to the Washington Utilities and Transportation Commission (WUTC's or Commission's) Notice of Opportunity to File Written Comments on the proposed rules for Chapter 480-93 WAC, the Northwest Industrial Gas Users (NWIGU) submit the following comments. NWIGU appreciates the opportunity to submit written comments today and the ability to have participated in this rulemaking proceeding through the workshops and informal proceedings conducted by the WUTC Staff that have lead to this formal rulemaking proposal.

Overview of Comments

NWIGU's primary concerns with this rulemaking have been how the WUTC gas safety rules apply to gas piping at industrial facilities that are on the customer's side of the local distribution company's (LDC's) meter and are thus internal to the customer's plant and facilities. The draft rules before the Commission draw an appropriate and legally justifiable line on this matter reflecting the WUTC's safety jurisdiction over a true master meter system as defined in 49 CFR Section 191.3 under which the gas is resold to ultimate consumers by the operator of the master meter system, but properly excluding industrial gas piping that is behind an LDC's meter. NWIGU urges the Commission to adopt the proposed new provision, WAC 480-93-007(2), which clearly states that WAC 480-93 does not apply to customer-owned facilities, where the customer is the end user and the customer-owned facilities are on the customer's side of the distribution meter.

NWIGU is generally supportive of the proposed revisions to this chapter, but would ask the Commission and its Staff to refine a few key provisions for improved clarity and to achieve a better balance for public safety in light of the costs imposed on the regulated companies and the LDCs' ratepayers before final rule adoption:

1. WAC 480-93-015 Odorization of gas – The Commission Should Require a Minimum of Six Times per Year Rather than Twelve as Sufficient for Periodic Testing.

Federal mandates require operators to perform “periodic testing” to insure the proper concentration of odorant (49 CFR Part 192.625). In the proposed rule, the Staff has proposed that sniff tests must be performed at least once monthly using odorant testing instrumentation. NWIGU requests that the Commission establish a minimum requirement of every other month rather than monthly testing as testing downstream gas a minimum of six times per year rather than twelve satisfies federal requirements and strikes a better balance of cost and safety, particularly for the smaller operators subject to the rules with customer-owned transmission lines. NWIGU understands that different operators within the state interpret the “periodic” nature of the federal requirement with different frequencies of testing and that the Staff wants a set minimum, but would submit that a minimum six times a year should be sufficient for a state definition of periodic.

2. WAC 480-93-080 Welder and plastic joiner identification and qualification – The Commission Should Allow the Continued Use of Current Qualification Certificates as Well as New Cards.

The new proposed rule properly adds plastic joiner identification and qualification, but eliminates current welder qualification certificates as adequate qualification documentation and instead requires the creation of new cards. NWIGU requests this WAC rule allow either welder qualification certificates or new cards, along with appropriate identification.

3. Clarification of the Meaning of Calibration in WAC, 480-93-015 (3), WAC 480-93-110 (4), 480-93-170 (10) and WAC 480- 93-188 (2)– The Commission Should Allow Testing for Accuracy with Calibration Required Only When Needed.

In all of these proposed rules, the Staff has used the word “calibrate” which could be interpreted in the engineering sense to require a resetting of the subject instrument/equipment or its removal for instrument reconfiguration when in fact the public purpose is appropriately served by testing for accuracy, which may be sufficient without any calibration of the involved equipment. For example, NWIGU recommends that the calibration requirement for gas detection instruments in WAC 480-93-188 (2) Gas Leak Surveys be modified as follows:

Gas detection instruments must be maintained, tested for accuracy, and operated in accordance with the manufacturer’s recommendation. If there is no manufacturer’s recommendation, then instruments must be tested for accuracy at least once monthly, but not to exceed forty-five days between testing and include testing at least twelve times per

year. Any instrument that fails its applicable tolerances shall be calibrated or removed from service.

Each of the other referenced sections should be similarly modified to require an accuracy test, with calibration or replacement of equipment only when required.

4. WAC 480-93-100 Valves - The Commission Should Either Narrow the Scope of the New WAC Valve Maintenance Requirements or Establish a Separate Docket to Evaluate a More Appropriate Scope.

In this proposed rule, the Staff has created a new broad sweeping program of valve maintenance for which NWIGU is concerned at two different levels. Staff has attempted to recognize the burden of this proposed program by delaying the effective date of this rule for three years, but yet Staff is still seeking its approval at this time. NWIGU recommends that the Commission instead narrow the program before any approval of the WAC 480-93-100 proposal, or establish a new separate docket for its further evaluation rather than acting upon it at this time.

Basically the proposed rule requires operators to develop and maintain a detailed written maintenance program that outlines how emergency valves required by 49 CFR Parts 192.747 and 192.745 would be selected and maintained. The Staff proposal also requires that valves be installed on services lines to churches, schools, hospitals and commercial buildings within business districts and that they be maintained and operated annually.

NWIGU is concerned first that small operators of customer-owned transmission lines already have valve maintenance programs adequately covered in their Operator Qualification training program and in their Operations and Maintenance Manuals. The proposed rules create new written program requirements for valve maintenance in selection, inspection, maintenance and operating procedures, which seem duplicative of existing requirements and costly in requiring a separate, new written program. Small operators should be exempted from these requirements if existing program and materials address these issues. The same is true for any new corrosion control program in proposed WAC 480-93-110—a new written program should not be required if current programs and manuals cover the issues of concern.

Of even greater concern to NWIGU, however, is the scope of these new valve maintenance program requirements for the LDCs as all of their respective ratepayers, including industrials who are LDC sales and transportation customers, will be the parties ultimately paying for the new requirements, which appear significantly more burdensome in sheer volume and cost for the LDCs. Coupled with the scope of the Business District definition (requiring specific physical measurements between two buildings under the proposed WAC 480-93-105(3) to determine when valves must be installed), Cascade and Puget have provided annual compliance cost estimates of \$567,000 and \$2.7 million respectively. Rather than implement such an extremely expensive proposal that will ultimately burden the ratepayers, NWIGU recommends that the Commission eliminate the measurement requirement between buildings in the definition of “Business District” as suggested by the LDCs in their previous comments and narrow the scope of service lines required to be included in the proposed valve program.

Conclusion

NWIGU appreciates the opportunity to express its concerns to the Commission on these items and desires to otherwise note its strong support of the proposed rules along with its desire for clarification in the few items set forth above. NWIGU also appreciates the efforts of the Staff and other parties in working through the numerous issues through the many years and meetings that have been a part of this rulemaking process.

Respectfully submitted,

/s/

Paula E. Pyron
Executive Director
On Behalf of the Northwest Industrial Gas Users