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STATE OF WASHINGTON

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

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(360) 664-1160 • TTY (360) 586-8203

Ref. No. Docket PG-060217

**CERTIFIED MAIL**

June 1, 2006

Dan Meredith  
Senior Director, Safety & Engineering  
Cascade Natural Gas Corporation  
222 Fairview Avenue North  
Seattle, Washington 98109

Dear Mr. Meredith:

**Subject: 2006 Natural Gas Standard Inspection – Aberdeen District**

We conducted a natural gas inspection from April 18 thru April 21, 2006, of Cascade Natural Gas Corporation's (CNG), Aberdeen District. The inspection included a records review and inspection of the pipeline facilities.

Our inspection indicates six probable violations, as noted in the enclosed report. We also noted one area of concern, which unless corrected, could potentially lead to future violations of state and/or federal pipeline safety rules.

**Your response needed**

Please review the attached report and respond in writing by July 3, 2006. The response should include how and when you plan to bring the probable violations into full compliance. We also request your response to our area of concern.

**What happens after you respond to this letter?**

The attached report presents staff's decision on probable violations and does not constitute a finding of violation by the commission at this time.

After you respond in writing to this letter, there are several possible actions the commission, in its discretion, may take with respect to this matter. For example, the commission may:

- Issue an administrative penalty under RCW 80.04.405, or
- Institute a complaint, seeking monetary penalties, changes in the company's, practices, or other relief authorized by law, and justified by the circumstances, or
- Consider the matter resolved without further commission action.

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We have not yet decided whether to pursue a complaint or penalty in this matter. Should an administrative law judge decide to pursue a complaint or penalty; your company will have an opportunity to present its position directly to the commissioners.

If you have any questions, or if we may be of any assistance, please contact Patti Johnson at (360) 664-1266. Please refer to docket numbers PG-060217 in any future correspondence regarding this inspection.

Thank you for your cooperation and interest in pipeline safety.

Sincerely,

A handwritten signature in black ink, appearing to read 'Alan E. Rathbun', with a long horizontal line extending to the right.

Alan E. Rathbun  
Pipeline Safety Director

Enclosure

*The Washington Utilities and Transportation Commission (Commission) has the authority to enforce the minimum safety regulations per Chapter 480-93 of the Washington Administrative Code (WAC) pertaining to the construction, maintenance and operation of pipelines transporting natural gas in the state of Washington. In addition, the Commission adopts the Code of Federal Regulations (CFR) Title 49, Part 191 and 192.*

**WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**  
**2006 Standard Natural Gas Safety Inspection Report**  
**Cascade Natural Gas Corporation– Aberdeen District**  
**Docket PG-060217**

**Probable Violations**

The following probable violation(s) of Title 49 CFR Part 192 was noted as a result of the inspection of the Cascade Natural Gas Corporation-Aberdeen District. The inspection included a random selection of records, operation and maintenance, emergency response, inventory and field inspection of the pipeline facilities.

**1. 49 CFR §192.161 Supports and Anchors**

*(c) Each support or anchor on an exposed pipeline must be made of durable, noncombustible material and must be designed and installed as follows:*

**Finding(s):**

The gas meter at 101 E. Market Street in Aberdeen, was supported with two combustible wood blocks. CNG immediately replaced the blocks with concrete blocks.

**2. 49 CFR §192.463 External Corrosion Control: Cathodic Protection**

*(a) Each cathodic protection system required by this subpart must provide a level of cathodic protection that complies with one or more of the applicable criteria contained in Appendix D of this part.*

**Finding(s):**

Low pipe-to-soil (p/s) reads were found at the following locations in Hoquiam:

- 200 L Street, -.808 mV on the first meter and -.804 mV on the second meter
- 356 Emerson Ave, -.783 mV on the idle riser
- 101 W Emerson, -.699 mV
- 412 O Street, -.847 mV
- United Methodist Church located at L Street and 5<sup>th</sup> Street , -.835 mV
- The Timberland Bank on 7<sup>th</sup> Street , -.726 mV
- In the alley behind the Sweet and Deli Shop at the three meter manifold, -.823 mV
- Smith Harbor Drug and Gift in the alley, -.553 mV

CNG immediately investigated and found that impressed current system GB NO. 4 had been shorted by a lumber cable wrapped around a meter set. A review of CNG's Bi-Monthly Monitoring (rectifier) report indicates that the system was functioning correctly on 3/20/2006.

3. **49 CFR §192.481 Atmospheric Corrosion Control: Monitoring**

*(a) Each operator must inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion, as follows:*

<i>If the pipeline is located:</i>	<i>Then the frequency of inspection is:</i>
Onshore .....	At least once every 3 calendar years, but with intervals not exceeding 39 months
Offshore .....	At least once each calendar year, but with intervals not exceeding 15 months

*(b) During inspections the operator must give particular attention to pipe at soil-to-air interfaces, under thermal insulation, under disbanded coatings, at pipe supports, in splash zones, at deck penetrations, and in spans over water.*

*(c) If atmospheric corrosion is found during an inspection, the operator must provide protection against the corrosion as required by Sec. 192.479.*

**Finding(s):**

Inspections for atmospheric corrosion under pipe supports had not been conducted at CNG regulator R01 (Aberdeen). We requested that the straps be removed to inspect for atmospheric corrosion. CNG respectfully declined, stating that previously they had investigated this issue at other sites and did not find atmospheric corrosion and that removing the straps could cause serious damage to the regulator stations.

Lack of inspection of pipe supports was also noted under Dockets PG-041532, PG-030438 and PG-030435. Each time, we requested that the support straps be removed to check for corrosion. In two cases, surface rust with minor corrosion was found. In one case the pipeline coating was flaking off under the support straps. CNG removed the support straps and inspected, cleaned and re-coated the pipeline. CNG's letter of intent dated June 18, 2004, committed to incorporate inspections of pipelines under supports, straps or other places where moisture accumulation is possible and could cause corrosion.

4. **49 CFR §192.491 Corrosion Control Records**

*(c) Each operator shall maintain a record of each test, survey, or inspection required by this subpart in sufficient detail to demonstrate the adequacy of corrosion control measures or that a corrosive condition does not exist. These records must be retained for at least 5 years, except that records related to §§192.465(a) and (e) and 192.475(b) must be retained for as long as the pipeline remains in service.*

**Finding:**

Documenting regulator station inspections is done utilizing the CNG Facility Maintenance and Inspection Record, Form 287. During the field inspection, CNG was shown areas of surface rust, disbanded coatings, and areas of chipped paint at CNG regulators R01 (Aberdeen), R04 and R05 (Montesano). A review of CNG Form 287 for each of the regulator stations indicated that the paint was in good condition. This issue was also noted under Docket PG-050002 as an area of concern.

5. **49 CFR §192.739 Pressure Limiting and Regulating Stations: Inspection and Testing**

*(a) Each pressure limiting station, relief device (except rupture discs), and pressure regulating station and its equipment must be subjected at intervals not exceeding 15 months, but at least once each calendar year, to inspections and tests to determine that it is—*

*(1) In good mechanical condition;*

*(2) Adequate from the standpoint of capacity and reliability of operation for the service in which it is employed;*

*(3) Except as provided in paragraph (b) of this section, set to control or relieve at the correct pressure consistent with the pressure limits of §192.201(a); and*

*(4) Properly installed and protected from dirt, liquids, or other conditions that might prevent proper operation.*

**Finding (a):**

An open relief valve vent cap was observed at regulator RS 05 (Montesano). During a test of the relief device, water was observed blowing out of the vent stack as the relief valve opened. CNG immediately wrote an operations & maintenance request to perform maintenance on the relief stack, remove the water and replace the vent cap.

A similar condition was noted under Docket PG-050002. We reported this to CNG prior to the inspection. During that inspection, CNG explained that the wind blew open the vent cap and moisture entered and caused corrosion on the pilot valve. CNG replaced the valve. Several months after the inspection, staff again observed the vent cap on R24 stuck in the open position.

**Finding (b):**

The services to homes located at 4, 5 and 10 Hoffman Road (Aberdeen) are served from a farm tap. From the pipe in Hoffman to the pipe at the closest service becomes a main per §192 definition of main and service line. The farm tap becomes a pressure regulating station and in accordance with §192. 739 must be inspected at intervals not exceeding 15 months but at least once each calendar year to inspections. CNG has not preformed annual inspections on this regulator station.

6. **49 CFR §192.13 General**

*(c) Each operator shall maintain, modify as appropriate, and follow the plans, procedures, and programs that it is required to establish under this part.*

**Finding (a):**

CNG personnel did not follow the plans and procedures in CNG's Company Procedure CP 754.04 which requires:

- Inspections for atmospheric corrosion to be conducted when annual regulator station maintenance is preformed.
- Use the guidelines specified to properly evaluate and document the condition of pipe coatings on CNG's form 287 (Facility Maintenance and Inspection Record) as noted in finding # 4.

**Finding (b):**

CP 754.04 also states that facility piping shall also be evaluated for wall loss as described in 754.02. Inspections of pipe shall be performed including at pipe supports, pipe straps and where the pipe touches soil. If the pipe strap or support is not plastic, or water can collect between the strap and the pipe, the strap shall be removed for inspection of the pipe underneath. CNG did not evaluate for atmospheric corrosion under pipe supports as noted under finding #3.

**Area of Concern**

1. A pressure relief test was conducted at regulator station R01. R01 has an inlet pressure of 250 psig and an outlet pressure of 150 psig. The maximum allowable operating pressure is 150 psig with the pressure relief valve set to relieve at 156 psig. CNG used a five pound increment, 600 pound Duragauge to conduct the pressure relief test. It was estimated that the relief valve vented somewhere between 155 and 157 ½ psig. Utilizing a pressure gauge with smaller increments should be utilized to provide for more accurate readings.