STATE OF WASHINGTON
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION
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(360) 664-1160 • TTY (360) 586-8203

Ref. No. Docket PG-080110

CERTIFIED MAIL

November 21, 2008

Bob Titus, Director
Energy Services – Gas Division
City of Ellensburg
501 N. Anderson St.
Ellensburg, WA 98926

Dear Mr. Titus:

Subject: 2008 Standard Natural Gas Inspection – City of Ellensburg, Washington

The Washington Utilities and Transportation Commission conducted a natural gas inspection of the City of Ellensburg during the week of August 4, 2008. The inspection included a records review, drug and alcohol plan review, and inspection of the pipeline facilities.

Our inspection indicates 14 probable violations as noted in the enclosed report. We also noted two areas of concern which, unless corrected, could potentially lead to future violation of state and/or federal pipeline safety rules.

Your response is needed.
Please review the attached report and respond in writing by December 22, 2008. The response should include how and when you plan to bring the probable violations into full compliance. We also request your response to our areas 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 81.88.040, or
- Institute a complaint, seeking monetary penalties, changes in the company's practices, or other relief authorized by law, or
- Consider the matter resolved without further commission action.

Staff has not yet determined whether to recommend to the commission pursuit of a complaint or penalty in this matter. Should the commission decide to pursue a complaint or penalty, the City of Ellensburg will have an opportunity to present its position directly to the commission.

If you have any questions, please contact Stephanie Zuehlke at (360) 664-1318. Please refer to Docket PG-080110 in any future correspondence regarding this inspection.

Sincerely,

David W. Danner
Executive Director and Secretary

cc. Anne F. Soiza, Director, Pipeline Safety
Steve Prue, Gas Engineer, City of Ellensburg

UTILITIES AND TRANSPORTATION COMMISSION
2008 Natural Gas Pipeline Safety Inspection
City of Ellensburg
Docket PG-080110

The following probable violation(s) of Title 49, CFR Part 192, WAC 480-90 and WAC 480-93 were noted as a result of the inspection of the City of Ellensburg. The inspection included a drug and alcohol plan review and a random selection of records, operation and maintenance (O&M), emergency response, inventory, and field inspection of the pipeline facilities.

PROBABLE VIOLATIONS

1. **WAC 480-90-328 Meter Identification**

Gas utilities must identify each meter by a unique series of serial numbers, letters, or combination of both, placed in a conspicuous position on the meter, along with the utility's name or initials.

Finding:

Ellensburg has not properly labeled all of their meters. The utility's name or initials is missing.

i. N. end of 200 blk. Main St. Alley W. of Main St. behind Palace Cafe
   1. Two meters this location: SN 12863 & SN 42268
ii. 607 N. Pearl St.
iii. 600 N. Main
iv. 119 5th Ave.
v. Albertson's Grocery – Ruby St. & University Way

2. **WAC 480-93-015(2) & (5) Odorization of Gas**

(2) Each gas pipeline company must use an odorant testing instrument when conducting sniff tests.

(5) Each gas pipeline company must keep all record of odorant usage, sniff tests performed, and odorant testing instrument calibration for five years.

Finding(s):

a. Instruments utilized by Ellensburg to complete sniff tests are not properly documented on records or documentation is unavailable to demonstrate that calibrated units were utilized rather than expired units. Ellensburg was unable to demonstrate the type of calibrated equipment utilized for conducting sniff tests on the following dates: 1-22-08; 2-20-2008; 3-26-08; 4-28-08; 5-30-08; 6-24-08; 7-08-08

b. Records did not indicate the type of equipment used and the equipment serial number.

It should be noted that Ellensburg immediately corrected their Gas Odorization Test Report deficiency to include the type of equipment used and equipment SN. The Gas Engineer had also immediately developed and implemented new procedures to track and ensure equipment calibration intervals will not be exceeded (Section 25 – Instrument & Calibration Program).

3. **WAC 480-93-140(1) Service Regulators**

(1) To ensure proper operation of service regulators, each gas pipeline company must install, operate, and maintain service regulators in accordance with federal and state regulations, and in accordance with the manufacturer's recommended installation and maintenance practices.

Finding:

The regulator installation was not in accordance with manufacturer's recommendations.

i. 1800 Canyon Rd., Bar 14 Restaurant
   1. Sideways vent installed.
ii. 106 7th Ave.
   1. Sideways vent installed.

4. **WAC 480-93-170(4), (6), & (7)(f) Tests and Reports for Gas Pipelines**

(4) All service lines that are broken, pulled, or damaged, resulting in the interruption of gas supply to the customer, must be pressure tested from the point of damage to the service termination valve (generally the meter set) prior to being placed back into service.

(6) Each gas pipeline company must perform soap tests at the tie-in joints at not less than the current operating pressure of the gas pipeline.

(7) Each gas pipeline company must keep records of all pressure tests performed for the life of the pipeline and must document the following information:

(f) Line pipe size and length;

Finding(s):

a. Leak repair reports do not indicate that they have been properly pressure tested for:
   i. 05.14.08 Vista Views 1" service
   ii. 04.03.08 815 E. Tacoma

b. Leak repair report did not indicate that tie-ins were soap tested.
   i. 06.18.07 Stoney Creek Plat, S. of 26th, N. of Phase I

c. Leak repair reports do not indicate the length of pipe replaced for:
   i. 05.14.08 2410 Nalder Greenfield Park Condo Unit 3
   ii. 07.20.07 211 Greenfield

5. **WAC 480-93-180(1) and (3) Plan and Procedures**

(1) Each gas pipeline company must have and follow a gas pipeline plan and procedure manual (manual) for operation, maintenance, inspection, and emergency response activities that is specific to the gas pipeline company's

system. The manual must include plans and procedures for meeting all applicable requirements of 49 CFR §§ 191, 192 and chapter 480-93 WAC, and any plans or procedures used by a gas pipeline company's associated contractors.

(3) The manual must be written in detail sufficient for a person with adequate training to perform the tasks described. For example, a manual should contain specific, detailed, step-by-step instructions on how to maintain a regulator or rectifier, conduct a leak survey or conduct a pressure test.

Finding(s):

a. Ellensburg did not follow their own procedures under O&M Section 12.3 which is a general statement identifying that coating is required and that no installation of unprotected pipe should occur in their system. Also, Section 21 identifies that the meter and service shut-off valve are to be located above ground.

i. 600 N. Main
   1. Buried riser valve approx. 6" below grade with corrosion/pitting on coupling
   2. Gas meter approximately 1/3 buried with oxidation corrosion on meter

ii. 702 1st Ave.
   1. Buried riser valve
   2. Unpainted

iii. 400 S. Willow
   1. Two buried valves on single riser
   2. No coating on riser
   3. No interface coating

iv. 710 E. Washington -Bare metal, no coating on pipe

v. 205 W 5th Ave., Suite 180-Interface coating buried

b. Atmospheric corrosion monitoring was not properly completed in accordance with Ellensburg Procedures. Staff notes that had this service been properly monitored for atmospheric corrosion, as the riser and meter are normally located above grade and exposed to the atmosphere, Ellensburg would have noticed the deterioration and coating issues and remedied them.

600 N. Main
   1. Buried riser valve approx. 6" below grade with corrosion/pitting on piping
   2. Gas meter approximately 1/3 buried with oxidation corrosion on meter
   3. Bad coating at interface

c. Ellensburg did not properly complete the following leak repair reports and did not indicate that they had properly pressure tested the following in accordance with their own procedures:

i. 05.14.08 Vista Views 1" service

ii. 04.03.08 815 E. Tacoma

d. Ellensburg did not properly complete the following leak repair reports and did not indicate that tie-ins were soap tested in accordance with their own procedures.
   i. 06.18.07 Stoney Creek Plat, S. of 26th, N. of Phase I

e. Ellensburg did not properly complete the following leak repair reports did not indicate the length of pipe replaced in accordance with their own procedures:
   i. 05.14.08 2410 Nalder Greenfield Park Condo Unit 3
   ii. 07.20.07 211 Greenfield

f. Ellensburg did not complete documentation in accordance with their own procedures of a completed gas leak survey to service tie-in after 3rd party damage for the following services:
   i. 05.14.08 Vista Views 1" service
   ii. 04.03.08 815 E. Tacoma
   iii. 05.14.08 2410 Nalder Greenfield park Condo Unit 3
   iv. 07.20.07 211 Greenfield
   v. 09.17.07 800 22nd

g. Ellensburg did not have a written procedure identifying AOC's (issues and elements) to be considered by meter readers when reviewing completing their Atmospheric Corrosion inspection nor did they have a procedure identifying the associated remediation process.

It should be noted that as soon as Ellensburg became aware that they lacked these procedures, Ellensburg's Gas Engineer devised a procedure and conducted immediate training.

6. **WAC 480-93-186(2) Leak Evaluation**

(2) Each gas pipeline company must establish a procedure for evaluating the concentration and extent of gas leakage. When evaluating any leak, the gas pipeline company must determine and document the perimeter of the leak area.

Finding:

Leak investigation/repair reports do not identify the leak perimeter for:
   i. 05.14.08 Hobart Ave. & Vista Views
   ii. 07.20.07 211 Greenfield
   iii. 08.28.07 109 W. Helena
   iv. 09.17.07 800 E. 22nd

7. **WAC 480-93-187(12) and (13) Gas Leak Records**

Each gas pipeline company must prepare and maintain permanent gas leak records. The leak records must contain sufficient data and information to permit the commission to assess the adequacy of the gas pipeline company's leakage program. Gas leak records must contain, at a minimum, the following information:

(12) Magnitude and location of CGI readings left; and

(13) Unique identification numbers (such as serial numbers) of leak detection equipment.

Finding(s):

a. Leak repair reports do not identify the magnitude and location of CGI readings remaining at leak site for:

i.	09.20.06	Alley between Capitol & 1st and Maple & Popular
ii.	05.14.08	Hobart Ave. & Vista Views
iii.	04.03.08	815 E. Tacoma
iv.	05.14.08	2410 Nalder Greenfield park Condo Unit 3
v.	06.18.07	Stoney Creek Plat, S. of 26th, N. of Phase I

b. Leak repair reports do not identify the type of equipment & SN utilized to measure gas levels for:

i.	09.20.06	Alley between Capitol & 1st and Maple & Popular
ii.	04.03.08	815 E. Tacoma
iii.	07.20.07	211 Greenfield
iv.	06.18.07	Stoney Creek Plat, S. of 26th, N. of Phase I

8. **WAC 480-93-188(4)(e), (5)(c) and (f) Gas Leak Surveys**

(4) Each gas pipeline company must conduct special leak surveys under the following circumstances:

(e) After third-party excavation damage to services, each gas pipeline company must perform a gas leak survey from the point of damage to the service tie-in.

(5) Each gas pipeline company must keep leak survey records for a minimum of five years. At a minimum, survey records must contain the following information:

(c) Survey method;

(f) Instrument tracking or identification number.

Finding(s):

a. Documentation of a completed gas leak survey for the following services was unavailable at the time of inspection:

i.	05.14.08	Vista Views 1" service
ii.	04.03.08	815 E. Tacoma
iii.	05.14.08	2410 Nalder Greenfield park Condo Unit 3
iv.	07.20.07	211 Greenfield
v.	09.17.07	800 22nd

b. On special leak surveys the method of survey and instrument SN has not been included on forms.

i.	09.20.06	Alley between Capitol & 1st and Maple & Popular
ii.	04.03.08	815 E. Tacoma
iii.	07.20.07	211 Greenfield
iv.	03.07.07	Greenfield Development Survey
v.	06.18.07	Stoney Creek Plat, S. of 26th, N. of Phase I

9. **CFR 49 §192.353 (a) Customer Meters and Regulators: Location.**

(a) Each meter and service regulator, whether inside or outside a building, must be installed in a readily accessible location and be protected from corrosion and other damage, including, if installed outside a building, vehicular damage that may be anticipated.

Finding:

The following have not been properly protected from damage.

i. 320 E. 4th - meter set replaced due to vehicle damage – no meter guards reinstalled.

ii. 405 Main St., The Daily Record - protection of equipment inadequate for location.

10. **CFR 49 §192.355(b)(2) Customer Meters and Regulators: Protection from Damage**

(b) Service regulator vents and relief vents. Service regulator vents and relief vents must terminate outdoors, and the outdoor terminal must -

(2) Be located at a place where gas from the vent can escape freely into the atmosphere and away from any opening into the building;...

Finding:

The vent terminus is not located in a position allowing venting gas to freely escape into the atmosphere.

Ellensburg received an inside odor call from 710 E. Washington on 09.27.07 where a new meter had been set earlier that day on an existing riser. They noted on their investigation report that there was an open/operable window above the newly set meter but did not remediate the vent terminal.

11. **CFR 49 §192.365(b) Service lines: Location of Valves**

(b) Outside valves. Each service line must have a shutoff valve in a readily accessible location that, if feasible, is outside of the building.

Finding:

Service shut-off valves were not readily accessible.

i. 600 N. Main, buried riser valve approx. 6" below grade

ii. 702 1st Ave. Riser valve buried

iii. 400 S. Willow – 2 valves on single riser, both valves buried

12. **CFR 49 §192.455(a)(1) External Corrosion Control**

(a) Except as provided in paragraphs (b), (c), and (f) of this section, each buried or submerged pipeline installed after July 31, 1971, must be protected against external corrosion, including the following:

(1) It must have an external protective coating meeting the requirements of §192.461.

Finding:

The following were not properly coated:

i. 600 N. Main
   1. Buried riser valve approx. 6" below grade with corrosion/pitting on coupling
   2. Gas meter approximately 1/3 buried with oxidation corrosion on meter
   3. Bad coating at interface.

ii. 702 1st Ave.
   1. Buried riser valve

iii. 400 S. Willow
   1. Two buried valves on single riser
   2. No interface coating

iv. 205 W 5th Ave., Suite 180
   1. Improper interface coating

13. **CFR 49 §192.479 Atmospheric Corrosion Control: General**

(a) Each operator must clean and coat each pipeline or portion of pipeline that is exposed to the atmosphere, except pipelines under paragraph (c) of this section.

(b) Coating material must be suitable for the prevention of atmospheric corrosion.

(c) Except portions of pipelines in off-shore splash zones or soil-to-air interfaces, the operator need not protect from atmospheric corrosion any pipeline for which the operator demonstrates by test, investigation, or experience appropriate to the environment of the pipeline that corrosion will –

(1) Only be light surface oxide; or

(2) Not affect the safe operation of the pipeline before the next scheduled inspection.

Finding:

The following were not properly considered or completed as atmospheric corrosion control issues:

i. 710 E. Washington - Bare/no coating

ii. Albertson's Grocery Ruby St. & University Way - Corrosion under removable supports

iii. Kittitas Gate Station on Kittitas Hwy. - Wrap is damaged or missing at the following locations:
   1. N. leg of 150# outlet leg has exposed/uncoated pipe w/wrap at interface inadequate.
   2. S. leg – damaged wrap and bare uncoated pipe at structure
   3. E. side of station building on both station by-pass legs at interface – exposed metal and bad wrap (on either side of valve #169).

14. **CFR 49 §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 at least once every 3 calendar years, but with intervals not exceeding 39 months.

(b) *During inspections the operator must give particular attention to pipe at soil-to-air interfaces, under thermal insulation, under disbonded 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 §192.479.*

Finding:

Atmospheric corrosion monitoring was not properly completed.

i. 600 N. Main
   1. Staff notes that had this service been properly monitored for atmospheric corrosion, as the riser and meter are normally located above grade and exposed to the atmosphere, Ellensburg would have noticed the deterioration and coating issues and remedied.
      a. Buried riser valve approx. 6" below grade with corrosion/pitting on piping
      b. Gas meter approximately 1/3 buried with oxidation corrosion on meter
      c. Bad coating at interface

ii. Kittitas Tap Station
   1. Fiberglass shields at support legs Pipe under adjustable in multiple locations within this structure have been painted over and onto pipe – corrosion on pipe may exist under these shields – much condensate on pipe within this structure.

AREAS OF CONCERN

1. Staff notes a lack of clarity regarding the purpose of dial gauges (under 6") used to monitor system pressure at the Seattle Regulator Station. Section 25 of Ellensburg's O&M manual identifies that these dial gauges are pressure indicators only. Regulator Station Inspection and Maintenance Form in Section 9, page 13 states: Dial gauges under 6" in diameter are not used in any other situation. However, one of the Seattle Regulator Stations gauges is labeled with a slight correction factor. If in practice, these gauges are indeed used as monitoring devices only, the labeling of a correction factor would not be necessary.

2. Staff reviewed Ellensburg's Drug Testing and Alcohol Misuse Prevention Plan but are still awaiting City Council's approval of proposed changes and implementation of the revised plan.