

Ref. No. Docket PG-090031

CERTIFIED MAIL

September 3, 2009

Kevin Rasler
General Manager
Inland Empire Paper Company
3320 N. Argonne
Spokane, Washington 99212

Dear Mr. Rasler:

Subject: 2009 Inland Empire Paper Company Standard Inspection

We conducted a natural gas safety inspection from August 3, through August 20th, 2009, of Inland Empire Paper Company's (IEPC) Spokane Washington pipeline system. The inspection included a review of system operation and maintenance record's, procedures, drug and alcohol testing records and inspection of IEPC's pipeline facilities.

Our inspection indicated one probable violation as noted in the enclosed report. This violation was related to IEPC's re-routing of a section of pipeline in 2005 that was completed prior to your procedures manual having been updated after our last inspection. The incomplete manual at the time of the re-routing of the pipeline probably contributed to the fact that cathodic protection test wires were not attached to the carrier pipe at the casing to carrier interface.

Since our last inspection IEPC has updated its Operations and Maintenance Procedures Manual, Emergency Response Manual and its Drug and Alcohol Procedures Manual and these were thoroughly reviewed during this inspection. No missing or inadequate procedures were noted.

Your response is needed.

Please review the attached report and respond in writing by October 2, 2009. The response should include a letter of intent and the date you plan to bring the probable violation into full compliance.

What happens after you respond to this letter?

The attached report presents staff's finding of a probable violation 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 and justified by the circumstances, or
- Consider the matter resolved without further commission action.

Staff has not yet decided 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, your company will have an opportunity to present its position directly to the commission.

If you have any questions, or if we may be of any assistance, please contact Scott Rukke at (360) 664-1241. Please refer to docket number PG-090031 in any future correspondence regarding this inspection.

We want to thank you for your cooperation during the inspection and your management of your pipeline safety program as demonstrated by the results of this latest inspection.

Sincerely,



Anne F. Soiza
Pipeline Safety Director

cc: Kevin Davis, Inland Empire Paper Company

Enclosure

UTILITIES AND TRANSPORTATION COMMISSION
2009 Standard Inspection of Inland Empire Paper Company's, Spokane WA Pipeline
System
Docket PG-090031

Probable Violation

The following probable violation(s) Washington Administrative Code (WAC) 480-93 were noted as a result of the inspection of Inland Empire's procedures, records and facilities.

1. **WAC 480-93-115(2), Casing of pipelines.**
(2) For casings installed after September 5, 1992, each gas pipeline company must attach separate test lead wires to each casing without vents, and to the steel gas pipeline to verify that no electric short exists between the two, and that an adequate level of cathodic protection is applied to the steel line pipe.

Charge:

Inland Empire Paper Co., did not install separate test lead wires to the steel gas pipeline.

Findings:

During a relocation of a portion of Inland Empire's 4-inch Steel transmission line in 2005, the pipeline had to cross railroad tracks in two separate locations. Casings were installed at these crossings and the steel transmission line was inserted into these casings. Both casings have vents installed but no test leads were attached to the carrier pipe at the casing to carrier interface as required.