

STATE OF WASHINGTON

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

1300 S. Evergreen Park Dr. S.W., P.O. Box 47250 • Olympia, Washington 98504-7250 (360) 664-1160 • TTY (360) 586-8203

Ref. No. Docket PG-100017

CERTIFIED MAIL

May 10, 2010

Steve Smith Plant Manager Cardinal Pacific FG 545 Avery Road West Winlock WA 98596

Dear Mr. Smith:

RE: 2010 Natural Gas Operations and Maintenance Manual review and Standard Inspection

We conducted a natural gas inspection from March 29-31, 2010 of Cardinal FG. The inspection included an Operation and Maintenance Manual review, a records review and a field inspection of the pipeline facilities.

Our inspection indicates two probable violations as noted in the enclosed report.

Your response needed

Please review the attached report and respond in writing by June 14, 2010. The response should include how and when you plan to bring the probable violations into full compliance.

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:

- 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.

The commission has not yet decided whether to pursue 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 commissioners.

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If you have any questions, or if we may be of any assistance, please contact Lex Vinsel at (360) 664-1319. Please refer to Docket PG-100017 in any future correspondence regarding this inspection.

Sincerely,

David D. Lykken

Pipeline Safety Director

Enclosure

cc. Chuck Miller, Cardinal FG

Robert L. Cosentino, Cosentino Consulting

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION 2010 Natural Gas Pipeline Safety Inspection Cardinal FG Docket PG-100017

The following probable violations of Title 49, CFR Part 192 were noted as a result of the inspection of Cardinal FG (Cardinal). The inspection included a random selection of records, operation and maintenance (O&M), emergency response, inventory and field inspection of the pipeline facilities.

PROBABLE VIOLATIONS

1. 49 CFR Part 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.

Appendix D to Part 192-Critera for Cathodic Protection and Determination of Measurements.

(II) Interpretation of voltage measurement. Voltage (IR) drops other than those across the structure-electrolyte boundary must be considered for valid interpretation of the voltage measurement in paragraphs A(1) and (2).

Charge:

Cardinal does not have a process in their O&M manual to consider the IR drop when interpreting the level of cathodic protection on pipeline facilities.

Finding(s):

No evidence was presented to show that IR drop was considered when determining the level of cathodic protection on pipeline facilities.

2. 49 CFR Part 192.616 Public Awareness

- (d) The operator's program must specifically include provisions to educate the public, appropriate government organizations, and persons engaged in excavation related activities on:
 - (1) Use of a one-call notification system prior to excavation and other damage prevention activities;
 - (2) Possible hazards associated with unintended releases from a gas pipeline facility:
 - (3) Physical indications that such a release may have occurred;
 - (4) Steps that should be taken for public safety in the event of a gas pipeline release; and
 - (5) Procedures for reporting such an event.

<u>Charge:</u>
Cardinal did not provide proof that the public was educated as required by 49 CFR §192.616 Public Awareness Section (d) (1-5).

Finding(s):

Cardinal did not educate the public as required in 49 CFR §192.616(d) (1-5). No evidence was presented to confirm that the public was provided with required educational materials.