



STATE OF WASHINGTON

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

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(360) 664-1160 • TTY (360) 586-8203

Ref. No. Docket PG-100054

**CERTIFIED MAIL**

January 19, 2011

Mark McKellar  
President  
J.R. Simplot Company  
6360 South Federal Way  
Boise, ID 83716-9617

Dear Mr. McKellar:

**RE: 2010 Natural Gas Standard Inspection – J.R. Simplot Moses Lake Facilities**

The Washington Utilities and Transportation Commission (UTC) staff conducted a natural gas safety standard inspection from November 29 to December 1, 2010 of Simplot Moses Lake Facilities. The inspection included a review of records, procedures and pipeline facilities.

Our inspection indicates two probable violations as noted in the enclosed report. Staff also noted one area of concern (AOC), which unless corrected, could lead to future violations of state or federal pipeline safety rules.

**Your response needed**

Please review the attached report and respond to all probable state and federal safety code violations and areas of concern in writing by February 22, 2011. The response should include how and when you plan to bring the probable violations into full compliance. We also request your response include how you plan to address our areas of concern. In addition, please provide a signed copy of your revised O&M Manual.

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

The attached report presents staff's decisions regarding 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:



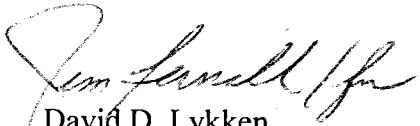
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- Assess an administrative penalty under RCW 81.88.040, or
- issue a complaint, seeking monetary penalties, changes in the company's, practices, or other relief authorized by law, and justified by the circumstances, or
- consider the matter resolved without further commission action.

If you have any questions, please contact Al Jones, Pipeline Safety Engineer at (360) 664-1321. Please refer to docket number PG-100054 in any future correspondence regarding this inspection.

Thank you for your cooperation and interest in pipeline safety.

Sincerely,



David D. Lykken  
Pipeline Safety Director

Enclosure

cc. Bill Gilmour, J.R. Simplot  
Mark Knight, J.R. Simplot  
Robert Cosentino, Cosentino Consulting

**WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**  
**2010 Natural Gas Pipeline Safety Inspection**  
**J.R. Simplot Moses Lake Facilities**  
**Docket PG-100054**

The following probable violation(s) probable violation(s) and areas of concern and of Title 49, CFR Part 192, 199, and WAC 480-93 were noted as a result of the inspection of J.R. Simplot (Simplot) Moses Lake facilities. The inspection included a review of records, operation and maintenance (O&M), emergency response, inventory and field inspection of the pipeline facilities.

**PROBABLE VIOLATIONS**

1. **WAC 480-93-180 Plans 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.*

**Finding(s):**

Simplot's O&M manual for Operating Parameter Changes (Section 8.5) did not establish procedures addressing Abnormal Operating Conditions located in Appendix F.

2. **49 CFR §192.605 Procedural manual for operations, maintenance, and emergencies.**

(a) *General. Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response.*

**Finding(s):**

Simplot's O&M manual (Section 3.8) require the pipeline be surveyed for leakage at least twice each calendar year, at intervals not exceeding 7.5 months. The pipeline was commissioned in August 4, 2009 and leak surveys were completed on November 20, 2009 and July 29, 2010. Simplot exceeded the 7.5 months for completing the second leak survey.

**AREAS OF CONCERN OR FIELD OBSERVATIONS**

1. **49 CFR §192.605 Procedural manual for operations, maintenance, and emergencies.**

Simplot's O&M manual is new and needs to be reviewed and updated each calendar year not exceeding 15 months. In addition to the items discussed during the inspection, two items need to be documented:

- a) Section 9.1.4.3.a. Pipeline ID number 32358 needs to be corrected to 32395.
- b) Procedure P-37 Conducting a Pipeline Marker Survey, Section 5 Inspection Frequency needs revision from 5 years to calendar year but not to exceed 15 months.