

[Service Date March 21, 2011]

**BEFORE THE WASHINGTON UTILITIES
AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

CASCADE NATURAL GAS
CORPORATION,

Respondent.

DOCKET PG-110443

COMPLAINT

1 The Washington Utilities and Transportation Commission (Commission) on its own motion, and through its Staff, alleges as follows:

I. PARTIES

2 The Complainant Commission is an agency of the state of Washington, authorized by Title 80 RCW to regulate in the public interest the rates, services, facilities, and practices of all persons engaging within this state in the business of supplying any utility service or commodity to the public for compensation, and related activities, including gas companies, and by RCW 81.88 to regulate persons or entities constructing, owning, or operating gas pipelines for transporting gas.

3 The Respondent Cascade Natural Gas Corporation (Cascade) is a corporation which, among other things, owns and operates a system for transporting natural gas (gas) within the state of Washington.

II. JURISDICTION

4 The Commission has jurisdiction over Cascade because Cascade is a “pipeline company” subject to gas pipeline safety regulation by the Commission under RCW 81.88, including RCW 81.88.040 and .065, and as a public service company under

RCW 80.28, including RCW 80.28.020 and .040. In all instances, the conduct alleged in this complaint occurred within the state of Washington.

- 5 The Commission has jurisdiction over the subject matter of this Complaint under the provisions of RCW 80.01, RCW 80.04, RCW 80.28, RCW 81.88, and WAC 480-93. Specific provisions include but are not limited to: RCW 80.01.040, RCW 80.04.070, RCW 80.04.110, RCW 80.04.380, RCW 80.04.385, RCW 80.04.410, RCW 80.28.010, RCW 80.28.020, 80.28.040, RCW 80.28.130, RCW 81.88.005, RCW 81.88.010, RCW 81.88.030, RCW 81.88.040, RCW 81.88.065, RCW 81.88.100, WAC 480-93-185, and former WAC 480-93-101.

III. BACKGROUND

- 6 Commission rules prescribe the manner and means by which a gas utility must maintain its gas pipeline system in a safe condition. These rules are codified in WAC 480-93 as well as WAC 480-90. In WAC 480-93-999(1) the Commission adopts, among other things, Part 192 of the Title 49 of the Code of Federal Regulations (C.F.R.). Where this Complaint alleges a violation of a section of 49 C.F.R., that also alleges a violation of a Commission rule.
- 7 WAC 480-93-180(1) states in part that a gas utility such as Cascade must “have and follow” a “gas pipeline plan and procedure manual.” That manual must include plans and procedures for complying with applicable pipeline safety rules.
- 8 During all times relevant to this Complaint, Cascade had such a plan and procedures manual, which we call “Cascade’s Manual” or “Manual” in this Complaint. Where applicable, this Complaint cites a violation of a Commission rule as well as Cascade’s Manual, because in those instances, Cascade failed to follow the specific Commission rule as well as WAC 480-93-180(1), by failing to follow a specific provision of its Manual.
- 9 However, this Complaint does not intend to assert a separate penalty for violation of a discrete safety rule and a violation of WAC 480-93-180(1) (failure to follow the manual). Rather, the Commission cites both violations to emphasize that in addition

to not following the relevant gas pipeline safety rule, Cascade is not following the provisions of its own Manual.

- 10 This Complaint qualifies the calculation of the number of certain alleged violations using the phrase, “before consideration of continuing violations”. “Continuing violations” means the violation may have occurred on one day, but the violation persisted for a period in excess of one day, such as until the day Cascade remedied the substandard condition. The Commission is not certain at this time about the various periods of continuing violations, so the Commission cannot allege the total number of violations at this time.
- 11 There are numbers in brackets in most Causes of Action in this Complaint, after a district name and in bold-face type, as well as at the end of most of the factual allegation paragraphs. These numbers cross-refer to the Probable Violation number contained in the respective standard inspection listed by district and docket number in Paragraph 12 below. Moreover, in many instances, the allegations in the body of the Complaint refer to “Attachment A”. In those instances, Attachment A provides additional detail regarding those allegations, and is considered part of the allegations of the particular violation involved. Each detailed allegation in Attachment A is cross-referenced to the Cause of Action and district to which that detailed allegation relates. Consequently, Attachment A is part of this Complaint and the Commission incorporates Attachment A by this reference. Among other things, this means Cascade in its Answer must admit, deny, or assert it has insufficient basis to either admit or deny, each factual allegation contained in both the body of the Complaint and in Attachment A.

IV. NATURE OF THE COMPLAINT

- 12 This Complaint alleges 364 violations of Commission gas safety rules in several of the districts where Cascade operates. These allegations arise from a Commission investigation of an overpressure event, and standard inspections conducted by the Commission of Cascade’s gas facilities, records and practices in five districts in which Cascade operates in this state: Wenatchee/Moses Lake District (Docket PG-100043); Aberdeen District (Docket PG-080108); Kitsap District (Docket PG-090003); Whatcom District (Docket PG-090002) and Tri-Cities District (Docket PG-080109).

13 If the allegations are proven, this indicates Cascade has an overall lack of compliance, an overall lack of accountability, an overall lack of quality control, and an overall lack of interest in and/or attention to the details of compliance with gas pipeline safety laws and rules. In addition to the Commission's statutory authority to issue monetary penalties for gas safety rule violations (e.g., RCW 81.88.040), the Commission has statutory authority to require a gas company to improve its services and practices (e.g., RCW 80.28.020, and .040). The Commission may use this authority to assure the Commission and the public that Cascade has sufficient practices and procedures to ensure Cascade exhibits not only the fact of compliance with gas safety laws and rules, but an atmosphere of compliance as well.

V. ALLEGATIONS

A. Claims and Causes of Action

1. First Cause of Action (Overpressure)

14 On December 2, 2009, at approximately 8:05 A.M., Cascade received an emergency call from the fire department regarding Cascade's Regulator Station R-15, located on Jones Road, east of Garden of Eden Road, in Sedro Wooley. These Cascade pipeline facilities are distribution pipeline facilities. Cascade promptly responded to the call, and found the relief valve was blowing gas, the standby run was iced up, and the regulator was not locking up (i.e., the regulator was not stopping the flow of gas in response to the overpressure event). At the time of this incident, the distribution pipe at this location was operating at a pressure of 120 pounds per square inch gauge (psig). This presented a hazardous condition.

15 Based on the facts alleged in Paragraph 14, Cascade violated 49 C.F.R. § 192.261, which requires that no person may operate a gas system at a pressure exceeding the rule's maximum limits, and per .261(2), the maximum allowable operating pressure (MAOP) for a segment of a gas distribution system is 60 psig. The Commission alleges one violation of 49 C.F.R. § 192.261.

- 16 Cascade first notified the Commission of the incident at approximately 2:00 P.M. on December 3, 2009, approximately 28 hours after Cascade discovered the hazardous condition. The 120 psig at which the pipeline was operated was the MAOP (60 psig) plus 100 percent.
- 17 Based on the facts alleged in Paragraph 16, Cascade violated WAC 480-93-200(1)(f), which requires each gas company to notify the Commission by telephone within two hours of discovering a hazardous condition that results in a pipeline or system pressure exceeding the MAOP plus 10 percent. The Commission alleges one violation of WAC 480-93-200(1)(f).
- 18 Cascade repaired the regulator by approximately 11:25 A.M. on December 2, 2009. Cascade installed the standby regulator vent in a sideways position. This vent position does not prevent the accumulation of water, ice or snow, and it creates an undue hazard when gas discharges into the atmosphere.
- 19 Based on the facts alleged in Paragraph 18, Cascade violated 49 C.F.R. § 192.199(e), which requires each pressure relief and pressure limiting device to have vents designed to prevent the accumulation of water, ice or snow, and located where gas can be discharged into the atmosphere without undue hazard. The Commission alleges one violation of 49 C.F.R. § 192.199(e), before consideration of continuing violations.
- 20 At the time of the incident, Cascade's Manual contained an emergency policy and procedures for post-emergency investigations. However, Cascade's Manual did not contain procedures for the investigation of pipeline failures, nor did it contain a procedure for the selection of samples of the failed facility for laboratory examination, where appropriate, nor did it contain a procedure for determining the causes of the failure and minimizing the possibility of a recurrence.
- 21 Based on the facts alleged in Paragraph 20, Cascade violated 49 C.F.R. § 192.617, which requires each operator to establish procedures for investigating accidents and failures, including the selection of samples of the failed facility for laboratory examination, where appropriate, for determining the causes of the failure and minimizing the possibility of a recurrence. The Commission alleges one violation of 49 C.F.R. § 192.617, before consideration of continuing violations.

22 The Commission alleges a total of four violations under this First Cause of Action, before consideration of continuing violations.

2. Second Cause of Action (Corrosion Control – Monitoring)

Whatcom District [9.1]

23 Cascade failed to inspect Section I009 (located in Bellingham) for atmospheric corrosion. This section contains 2570 services that exceeded their maximum inspection interval of 39 months (from 03.01.07 through 09.23.09) by 937 days (2 years, 6 mos. and 22 days). Further details are identified in Attachment A. [9.1]

24 Based on the facts alleged in Paragraph 22, Cascade violated 49 C.F.R. § 192.481(a) which requires a gas company to inspect for atmospheric corrosion at least once every three years, but with intervals not exceeding 39 months for each portion of pipeline located onshore and exposed to the atmosphere. The Commission alleges one violation, before consideration of continuing violations, and before consideration of violations per service.

Kitsap District [17.2]

25 Cascade failed to conduct corrosion monitoring at least once every three years, but with intervals not exceeding 39 months. The specific instances of areas not timely monitored are itemized in Attachment A.

26 Based on the facts alleged in Paragraph 24, Cascade violated 49 C.F.R. § 192.481, which requires Cascade to conduct corrosion monitoring at least once every three years, but with intervals not exceeding 39 months. The Commission alleges six violations, before consideration of continuing violations.

Tri-Cities District [25]

27 Cascade failed to timely conduct corrosion control monitoring in the Tri-Cities District. Details are provided in Attachment A. [25]

28 Based on the facts alleged in Paragraph 26, Cascade violated 49 C.F.R. § 192.481(a), which requires Cascade to monitor each portion of its system for corrosion every three years, with intervals not exceeding 39 months. The Commission alleges one violation of 49 C.F.R. § 192.481, before consideration of continuing violations, and before consideration of violations per service. This is a repeat violation from Dockets PG-031597 and PG-031598.

29 The Commission alleges a total of eight violations under this Second Cause of Action, before consideration of continuing violations.

3. Third Cause of Action (Corrosion Control – Records)

Whatcom District [9.3]

30 Cascade failed to maintain corrosion inspection records that identified whether Cascade evaluated atmospheric corrosion at pipe supports. The specific instances are identified in Attachment A.

31 Based on the facts alleged in Paragraph 29, Cascade violated 49 C.F.R. § 192.481(b), which requires each operator to maintain a record of each corrosion inspection in sufficient detail to demonstrate the adequacy of corrosion control measures or that a corrosive condition does not exist. The Commission alleges 21 violations, before consideration of continuing violations.

Aberdeen District [4]

32 Cascade failed to record the condition of exposed pipe when Cascade repaired or replaced pipe. The specific instances are identified in Attachment A.

33 Based on the facts alleged in Paragraph 31, Cascade violated WAC 480-93-110(6), which requires each gas pipeline company to record the condition of all underground metallic facilities each time the facilities are exposed. The Commission alleges two violations, before consideration of continuing violations.

Tri-Cities District [26]

34 Cascade failed to maintain atmospheric corrosion control records or failed to make such records available to Staff upon request. When Cascade subsequently provided certain of such records, they were deficient. Details are provided in Attachment A. [26]

35 Based on the facts alleged in Paragraph 33, Cascade violated WAC 480-93-110(1), which requires Cascade to make and retain corrosion control records, and WAC 480-93-018(4), which requires Cascade to make records available to the Commission. The Commission alleges 19 violations.

36 The Commission alleges a total of 42 violations under this Third Cause of Action, before consideration of continuing violations.

4. Fourth Cause of Action (Gas Leak Surveys)**Whatcom District [4.2, 4.2]**

37 Cascade's leak survey documents fail to indicate whether Cascade made leak surveys over pipeline facilities services in the locations identified in Attachment A. The Commission therefore alleges Cascade failed to perform leak surveys at these locations. [4.1, 4.2]

38 Based on the facts alleged in Paragraph 36, Cascade violated WAC 480-93-188(1), which requires Cascade to perform leak surveys over all mains, services and transmission lines. The Commission alleges 11 violations, before consideration of continuing violations.

39 Cascade conducted a self-audit of its leak detection, repair and recordkeeping programs in 2007, per WAC 480-93-188(6). However, Cascade's maps were missing mains and services. This made it impossible for Cascade to ensure that necessary repairs are made within the time limits allowed, that repairs are effective, and that records are accurate and complete. [5]

40 Based on the facts alleged in Paragraph 38, Cascade violated WAC 480-93-188(6), which mandates the proper use of self-audits to ensure (c) repairs are made within the time frame allowed; (d), repairs are effective, and (e), records are accurate and complete. The Commission alleges one violation, before consideration of continuing violations.

Kitsap District [10]

41 Cascade failed to conduct a leak survey in 2008 of gas mains located in Section 1, Bremerton – Highway 103 and McWilliams in Silverdale.

42 Based on the facts alleged in Paragraph 40, Cascade violated WAC 480-93-188(3)(a) which requires Cascade to conduct business district leak surveys of its mains at least once annually, but not to exceed 15 months between surveys. The Commission alleges one violation, before consideration of continuing violations.

Aberdeen District [14, 15.2]

43 On certain of Cascade's leak survey documents involving third party damage to the pipeline, Cascade failed to record information sufficient to demonstrate that the survey was conducted from the point of damage to the service tie-in. Details are identified in Attachment A. [14]

44 Based on the facts alleged in Paragraph 42, Cascade violated WAC 480-93-018(1), which requires Cascade to maintain records sufficient to demonstrate compliance with Commission gas safety rules. WAC 480-93-188(4)(e) requires a leak survey when there is third party damage, and the survey must be from the point of damage to the service tie-in. The Commission alleges two violations.

45 On certain of Cascade's leak survey documents, Cascade failed to record one or more of the following items of information: maps, survey results, survey method, name of the person performing the survey, date of the survey, and the instrument number. The specific instances are identified in Attachment A. [15.2]

46 Based on the facts alleged in Paragraph 44, Cascade violated WAC 480-93-188(5), which requires Cascade to include in its leak survey records a description of the system and area served (including maps and leak survey logs), survey results, survey method, name of the person who performed the survey, survey dates, and instrument tracking or identification number. The Commission alleges 14 violations.

Tri-Cities District [11.13, 14, 15.2, 15.3, 18, 19]

47 In certain of its gas pipeline leak surveys, Cascade failed to document the perimeter of the leak. The ten instances alleged are identified in Attachment A. [11.13]

48 Based on the facts alleged in Paragraph 46, Cascade violated WAC 480-93-186(2), which requires Cascade to “document the perimeter of the leak area” in each leak evaluation. The Commission alleges ten violations, before consideration of continuing violations.

49 Cascade conducted a leak survey on May 29, 2008, at Road 84 (Section 1 business district) using leak survey maps 2-C & 3-C, but in doing so, Cascade failed to assure the maps used were accurate, failed to make accurate map information available, failed to identify and correct map deficiencies, and failed to mark on the map the survey start and stop points. [14]

50 Based on the facts alleged in Paragraph 48, Cascade violated WAC 480-93-188(6)(e) and 49 C.F.R. § 192.605(b)(8), which requires Cascade to conduct a self-audit to assure records are complete; 49 C.F.R. § 192.605(b)(3), which requires Cascade to make accurate information available to the leak surveyor; Cascade’s Manual § 730.013 and 730.015, which requires Cascade to correct deficiencies found during a leak survey, and Cascade’s Manual § 730.034, which requires Cascade to mark its maps for the survey start/stop points. The Commission alleges one violation of 480-93-188(6)(e), one violation of 49 C.F.R. § 192.605(b)(8), one violation of C.F.R. § 192.605(b)(3), and three violations of WAC 480-93-180(2) (failure to follow Manual), for a total of six violations, before consideration of continuing violations.

- 51 Cascade failed to provide calibration records for F1 and CGI equipment used to survey leaks at three locations identified in Attachment A. [15.2]
- 52 Based on the facts alleged in Paragraph 50, Cascade violated WAC 480-93-188(2), which requires Cascade to create and maintain such calibration records, and/or WAC 480-93-018(2), which requires Cascade to make records available to the Commission for review. The Commission alleges three violations.
- 53 During Staff's audit of Cascade's gas pipeline records, Cascade failed to provide Commission Staff calibration records for F1 and CGI equipment used to survey leaks at high occupancy buildings. [15.3]
- 54 Based on the facts alleged in Paragraph 52, Cascade violated WAC 480-93-188(2), which requires Cascade to create and maintain such calibration records, and/or WAC 480-93-018(2), which requires Cascade to make records available to the Commission for review. The Commission alleges one violation, before consideration of continuing violations.
- 55 Cascade failed to keep leak survey records that contained the instrument tracking or identification number on its High Occupancy structure leak surveys for the Tri-Cities during 2007 and 2008. Cascade also failed to keep leak survey records that contained an accurate description of their system by using maps that did not include all main and services for its High Occupancy structure leak surveys in the Tri-Cities for 2007 and 2008. Details of this allegation are in Attachment A. [18]
- 56 Based on the facts alleged in Paragraph 54, Cascade violated WAC 480-93-188(5)(a), which requires a description of the system and area surveyed (including maps and leak survey logs to be contained on the leak survey document. Cascade also violated WAC 480-93-188(5)(f), which requires the instrument tracking or identification number to be contained on the leak survey document. The Commission alleges twelve violations.
- 57 For 2007 and 2008, Cascade conducted self-audits of its leak detection, repair and recordkeeping programs, per WAC 480-93-188(6). In particular, Cascade's self-audits identified that leak survey maps were missing pipelines and the leak survey

maps were not updated. However, Cascade failed to remedy these issues, rendering such records inaccurate. This made it impossible for Cascade to ensure that necessary repairs are made within the time limits allowed, that repairs are effective, and that records are accurate and complete. Further details are identified in Attachment A. [19]

58 Based on the facts alleged in Paragraph 56, Cascade violated WAC 480-93-188(6), which mandates the proper use of self-audits to ensure: (e), records are accurate and complete. The Commission alleges seven violations, before consideration of continuing violations.

59 The Commission alleges a total of 68 violations under this Fourth Cause of Action, before consideration of continuing violations.

5. Fifth Cause of Action (Gas Leak Evaluations)

Kitsap District [7.3, 8]

60 Cascade failed to assign a leak grade to a leak located at 1108 Montgomery/2516 11th Street, Bremerton (split service) (2/12/08). [7.3]

61 Based on the facts alleged in Paragraph 59, Cascade violated WAC 480-93-186(1), which requires Cascade to assign a leak grade to each leak it evaluates, to establish leak repair priority. The Commission alleges one violation of WAC 480-93-186, before consideration of continuing violations.

62 Cascade's leak evaluation records failed to perform a follow-up leak inspection within 30 days of a leak repair with residual gas in the ground. Details of each instance are provided in Attachment A. [8]

63 Based on the facts alleged in Paragraph 61, Cascade violated WAC 480-93-186(3), which requires Cascade to perform a follow-up leak inspection within 30 days of a leak repair with residual gas in the ground. The Commission alleges two violations, before consideration of continuing violations.

Aberdeen District [9]

64 Cascade's leak evaluation records failed to properly document the perimeter of the leak area. Details of each instance are provided in Attachment A. [9.1, 9.2]

65 Based on the facts alleged in Paragraph 63, Cascade violated WAC 480-93-186(2) which requires Cascade to determine and document the perimeter of the leak area. The Commission alleges 24 violations, before consideration of continuing violations.

66 Cascade's leak evaluation records failed to record gas leaks in terms of LEL or gas in air. Details of each instance are provided in Attachment A. [9.3]

67 Based on the facts alleged in Paragraph 65, Cascade violated WAC 480-93-187, which requires Cascade to record the magnitude of the reading. The Commission alleges 24 violations, before consideration of continuing violations.

Tri-Cities District [12.1]

68 Cascade's leak evaluation records failed to document the perimeter of the leak area, or failed to conduct a follow-up leak inspection within 30 days of a leak repair with residual gas in the ground. Details of each instance are provided in Attachment A. [12.1]

69 Based on the facts alleged in Paragraph 67, Cascade violated WAC 480-93-186(2) and (3), which respectively require Cascade to (2): determine and document the perimeter of the leak area, and (3): perform a follow-up leak inspection within 30 days of a leak repair with residual gas in the ground. The Commission alleges six violations, before consideration of continuing violations.

70 The Commission alleges a total of 57 violations under this Fifth Cause of Action, before consideration of continuing violations.

6. Sixth Cause of Action (Gas Leak Records)

Whatcom District [3]

71 Cascade's gas leak records failed to contain complete information. The specific instances and deficiencies are itemized in Attachment A. [3.1, 3.2]

72 Based on the facts alleged in Paragraph 70, Cascade violated various parts of WAC 480-93-187(1) – (13) (the specific missing information in each instance is specified in Attachment A. Alternatively, the Commission alleges Cascade violated WAC 480-93-018(1), which requires Cascade to maintain records sufficient to show compliance with 49 C.F.R. § 192, 193 and WAC 480-93. The Commission alleges four violations. These are repeat violations from Docket PG-021194.

Kitsap District [9]

73 Cascade's gas leak records failed to contain complete information. The specific instances and deficiencies are itemized in Attachment A. [9.1, 9.2]

74 Based on the facts alleged in Paragraph 72, Cascade violated various parts of WAC 480-93-187(1) – (13) (the specific missing information in each instance is specified in Attachment A). The Commission alleges four violations.

Tri-Cities District [11.14, 13]

75 Cascade failed to identify on its gas leak records the identification numbers of the leak detection equipment used. The instances alleged are itemized in Attachment A. [11.14]

76 Based on the facts alleged in Paragraph 74, Cascade violated WAC 480-93-187(13), which requires that Cascade's gas leak records contain "unique identification numbers (such as serial numbers) of leak detection equipment." The Commission alleges ten violations, before consideration of continuing violations.

77 Cascade's gas leak records failed to contain complete information. The specific instances and deficiencies are itemized in Attachment A. [13]

78 Based on the facts alleged in Paragraph 76, Cascade violated various parts of WAC 480-93-187(1) – (13) (the specific missing information in each instance is specified in Attachment A). The Commission alleges 26 violations. These are repeat violations from Docket PG-021194.

79 The Commission alleges a total of 44 violations under this Sixth Cause of Action, before consideration of continuing violations.

7. Seventh Cause of Action (Plans and Procedures)

Aberdeen District [8]

80 Cascade did not have a procedure or did not follow a procedure, in Cascade's Manual in the instances itemized in Attachment A, including: customer notification, updating the Manual, documentation of underground leaks, completing substructure damage/leak reports, painting and coating a regulator station, addressing atmospheric corrosion, pipeline marker procedures, regulator vent installation, meter set installation, pipeline markers noted on patrol logs, and public awareness procedures. [8]

81 Based on the facts alleged in Paragraph 79, Cascade violated WAC 480-93-180(1) which requires Cascade to have procedures for meeting all requirements in 49 C.F.R. § 192, 193 and WAC 480-93, and to follow the procedures in Cascade's Manual for operation, maintenance, inspection, and emergency response activities.

82 These violations contained in Attachment A, Cause of Action 10, Aberdeen items 8.16 and 8.17, are based on the same conduct alleged in Attachment A, Cause of Action 6, Aberdeen items 9.1 and 9.2. The Commission will not seek double penalties if both Causes of Action are proven as to these allegations. Therefore, the Commission will not count these Cause of Action 10 violations as part of the total at this time.

Tri-Cities District [2.3, 2.4, 11.1, 11.2, 11.4, 11.7, 11.15, 11.19, 11.20, 11.22, 11.23]

- 83 Cascade used Instrument SN 2000629003 for conducting “sniff tests” in its Tri-Cities District during 2008. Cascade’s Form 296 (dated January 23, 2008) did not include information under Section C of that form, after Cascade received the instrument from the Shop. This allegation applies to the two instances identified in Attachment A (items e. and f.). [2.3]
- 84 Based on the facts alleged in Paragraph 82, Cascade violated WAC 480-93-180(1), which requires Cascade to follow its Manual. In particular, Cascade failed to follow § 756.043 of its Manual, which requires Cascade to include on Form 296 information regarding the instrument condition and operation, the date, and the name of the person who received/tested the equipment. The Commission alleges a total of two violations.
- 85 Cascade failed to follow prescribed procedures for reporting leak detection, monitoring, and repair involving leaks in the areas of 1527 Thayer Street in Richland, Washington, during August and September 2007, 1503 Wright Avenue, Richland, Washington, during the time frame of August 2007 through November 2008, and in the area of Sycamore and Lewis Streets in Pasco, Washington, during the November 2007 through November 2008 time frame. Details of the allegations are in Attachment A. [2.4]
- 86 Based on the facts alleged in Paragraph 84, Cascade violated WAC 480-93-180(1) which requires Cascade to follow its Manual. In particular, Cascade failed to follow procedure 730.034, which requires a specific list of items to be inspected during the leak survey, and procedure 730.035, which requires Cascade to stop the leak survey to investigate a detected leak and to pinpoint and grade the leak in accordance with Cascade procedure 750.031. The Commission alleges 18 violations, before consideration of continuing violations.
- 87 Cascade failed to include in its Manual the requirement that a visual inspection of welding be conducted by an individual qualified by appropriate training and experience. Though the Commission had previously notified Cascade of this matter, Cascade did not amend its Manual in a timely fashion, despite repeated promises from

Cascade that Cascade would do so and repeated assertions Cascade had done so. [11.1]

88 Based on the facts alleged in Paragraph 86, Cascade violated WAC 480-93-180, which requires Cascade to have in its Manual “plans and procedures for meeting all applicable requirements of 49 C.F.R. § 191, 192, and chapter 480-93 WAC.” 49 C.F.R. § 192.241(a) requires that “a visual inspection of welding be conducted by an individual qualified by appropriate training and experience ...”. The Commission alleges a total of one violation, before consideration of continuing violations.

89 Cascade failed to send to the Commission revisions to its Manual. The ten instances alleged are identified in Attachment A. [11.2]

90 Based on the facts alleged in Paragraph 88, Cascade violated WAC 480-93-180(2), which requires Cascade to file with the Commission its Manual revisions annually. The Commission alleges ten violations, before consideration of continuing violations.

91 For a revision to the Manual Cascade made regarding Cascade Procedure No.760 – Welding Standards, Cascade failed to incorporate that revision in the copy of the Manual maintained by Cascade in the Tri-Cities. [11.4]

92 Based on the facts alleged in Paragraph 90, Cascade violated WAC 480-93-180(2), which requires applicable portions of the manual related to a procedure being performed on the pipeline must be retained on-site where the activity is being performed. The Commission alleges one violation, before consideration of continuing violations.

93 Cascade failed to prepare complete pipeline records in recording information following construction. Cascade did not follow its construction installation records procedures in Manual §§ 860, 865, 869, 870, 880, and 881. The 18 instances alleged are described in Attachment A. [11.7]

94 Based on the facts alleged in Paragraph 92, Cascade violated WAC 480-93-180(1) which requires Cascade to follow the procedures in its Manual. The Commission alleges a total of 18 violations, before consideration of continuing violations.

- 95 Cascade failed to follow the procedures in its Manual regarding a gas leak in the area of the intersection of Sycamore and Lewis Streets in Pasco, Washington. The range of instances in which Cascade failed to follow its Manual include improper leak test calibration procedures, inaccurate reporting of dates, reporting of conflicting information regarding the grade of the leak, inadequate reasons for deferring the leak, incomplete information contained on the leak report forms and O&M request forms. Further factual details are itemized in Attachment A. [11.15]
- 96 Based on the facts alleged in Paragraph 94, Cascade violated WAC 480-93-180(1) which requires Cascade to follow the procedures in its Manual. The Commission alleges ten violations, before consideration of continuing violations.
- 97 Cascade generates certain work orders to track performance and compliance and relate to leak surveys of high occupancy structures and area inspections. An FI (flame ionization) unit is an instrument used to detect gas leaks (specific hydrocarbons such as ethane and methane). Cascade failed to record accurate check dates for the FI units on Cascade 332 work orders. Cascade's Manual § 725.021, requires Cascade to record accurate check dates for the FI units on Cascade 332 work orders. Details of these violations are itemized in Attachment A. [11.19]
- 98 Based on the facts alleged in Paragraph 96, Cascade violated WAC 480-93-180(1), which requires Cascade to follow the procedures in its Manual. The Commission alleges three violations, before consideration of continuing violations.
- 99 Cascade's vent located at 5th and S. Washington canal was missing a vent cap, thus Cascade failed to protect the vent from the accumulation of water, ice, or snow. [11.20(e)]
- 100 Based on the facts alleged in Paragraph 98, Cascade violated WAC 480-93-180(1), which requires Cascade to follow the procedures in its Manual. Cascade's Manual § 602.03 requires protection of the vent from the elements. The Commission alleges a total of one violation, before consideration of continuing violations.

- 101 Cascade failed to assign a service valve number to valves located at Chiawana High School, and at Road 84 & Argent Street, Pasco. Neither of these valves has a unique valve number. Cascade's Manual § 604.035 requires Cascade to represent each valve on its maps by the letters "SV", along with a unique valve number. This requirement is reiterated in Cascade's Manual § 740.071. [11.22]
- 102 Based on the facts alleged in Paragraph 100, Cascade violated WAC 480-93-180(2), which requires Cascade to follow the procedures in its Manual. The Commission alleges two violations, before consideration of continuing violations.
- 103 If Cascade finds a deficiency in its pipeline as a result of an atmospheric corrosion control survey, Cascade's Manual §§ 754.036 and .037 require Cascade to identify the problem and take corrective action. Cascade failed to take corrective action in the three specific instances described in Attachment A. [11.23]
- 104 Based on the facts alleged in Paragraph 102, Cascade violated WAC 480-93-180(1), which requires Cascade to follow the procedures in its Manual. The Commission alleges three violations, before consideration of continuing violations.
- 105 The Commission alleges a total of 69 violations under this Seventh Cause of Action, before consideration of continuing violations.

8. Eighth Cause of Action (Public Awareness)

Kitsap District [18]

- 106 Cascade failed to provide for Commission review information regarding the Company's public awareness program for the Kitsap District.
- 107 Based on the facts alleged in Paragraph 105, Cascade violated 49 C.F.R. § 192.616(i), which requires Cascade to have a program to promote public awareness of the company's gas system and the public safety issues it presents, and to make available for Commission review the Company's program documentation and evaluation results. The Commission alleges one violation, before consideration of continuing violations.

Wenatchee/Moses Lake District [4]

- 108 For the Wenatchee/Moses Lake District, Cascade has a program required by the gas safety rules to promote public awareness of the Company's gas system and the public safety issues it presents, and Cascade put the program in place on June 20, 2006. However, Cascade failed to complete the evaluation of the effectiveness of this program before June 20, 2010.
- 109 Based on the facts alleged in Paragraph 107, Cascade violated 49 C.F.R. § 192.616(a), which requires Cascade's public awareness program to follow the guidance in the American Petroleum Institute's Recommended Practice 1162. That guidance gives Cascade four years to complete its effectiveness evaluation of the program. Cascade failed to complete that effectiveness evaluation within four years. The Commission alleges one violation, before consideration of continuing violations.
- 110 The Commission alleges a total of two violations under this Eighth Cause of Action, before consideration of continuing violations.

9. Ninth Cause of Action (Records)**Kitsap District [2.2, 2.3, 2.4]**

- 111 Cascade's atmospheric corrosion records are insufficient to demonstrate compliance with Commission rules in that certain records contain multiple inspections on the same form and/or handwritten dates prior to the print date of the document, rendering the Commission unable to determine the outcome of the inspection. The specific instances are itemized in Attachment A. Moreover, Cascade failed to provide the Commission its two most recent atmospheric corrosion inspection records. [2.2, 2.3]
- 112 Based on the facts alleged in Paragraph 110, Cascade violated WAC 480-93-018(1), which respectively require Cascade to maintain records sufficient to show compliance, and WAC 480-93-018(2), which requires Cascade to make those documents available to the Commission upon request. The Commission alleges 42 violations, before consideration of continuing violations.

113 Cascade failed to keep accurate maps for use by service personnel, by failing to update the maps within six months of completing a construction activity. [2.4]

114 Based on the facts alleged in Paragraph 112, Cascade violated WAC 480-93-018(5), which requires Cascade to update records within six months of completing a construction activity. The Commission alleges one violation, before consideration of continuing violations.

Aberdeen District [2]

115 Cascade failed to maintain updated maps (specifically the maps used by field personnel); Cascade failed to maintain records sufficient to show whether or not the Company actually surveyed pipeline markers, and pressure test records failed to contain required information. Further facts supporting these allegations are itemized in Attachment A. [2.2, 2.3, 2.4]

116 Based on the facts alleged in Paragraph 114, Cascade violated WAC 480-93-018(1) and (5), which respectively require Cascade to maintain records sufficient to show compliance and to update records within six months of completing a construction activity. The Commission alleges six violations, before consideration of continuing violations.

Tri-Cities District [2.1, 3.1, 3.2, 29.1]

117 Cascade failed to update its system maps within six months of completion of construction in the 19 instances itemized in Attachment A. [2.1, 29.1]

118 Based on the facts alleged in Paragraph 116, Cascade violated WAC 480-93-018(5) and Cascade's Procedural Manual § 860.16, which require that Cascade update its records within six months of completing any construction activity. The Commission alleges 18 violations, before consideration of continuing violations.

119 Cascade failed to maintain maps that accurately depict the location of pipeline markers, failed to accurately map pipeline markers by June 5, 2007, and failed to

make other accurate records available to its gas pipeline safety personnel. Details are provided in Attachment A. [3.1, 3.2]

120 Based on the facts alleged in Paragraph 118, Cascade violated WAC 480-93-018(1), which requires Cascade to maintain records sufficient to demonstrate compliance; Cascade violated WAC 480-93-018(5), which requires Cascade to update its records within six months of when it completes any construction activity; Cascade violated Cascade's Manual § 610.05, which requires that Cascade's maps accurately depict the location of pipeline markers; Cascade violated Cascade's written commitment to the Commission in Docket PG-060216 in which Cascade committed to map pipeline markers by June 5, 2007; and Cascade violated 49 C.F.R. § 192.605(b)(3), which requires Cascade to make construction records, maps, and operating history available to appropriate personnel. The Commission alleges seven violations, before consideration of continuing violations.

121 The Commission alleges a total of 74 violations under this Ninth Cause of Action, before consideration of continuing violations.

10. Tenth Cause of Action (Recordkeeping)

Aberdeen District [25]

122 Cascade failed to maintain complete qualification and training records for three Cascade employees who remediated the meter loop located at 109 East 2nd, Aberdeen. In particular, the records Cascade provided failed to identify the dates of current qualifications and the method of qualification.

123 Based on the facts alleged in Paragraph 121, Cascade violated 49 C.F.R. § 192.807(a)(3) and (4), which respectively require Cascade to maintain qualification records that contain dates of current qualification and method of qualification. The Commission alleges three violations, before consideration of continuing violations.

124 The Commission alleges a total of three violations under this Tenth Cause of Action, before consideration of continuing violations.

11. Eleventh Cause of Action (Periodic Review for Effectiveness)

Tri-Cities District [30]

125 Based on the facts alleged in this Complaint, while Cascade periodically reviewed the work done by its gas safety personnel to determine the effectiveness and adequacy of its procedures used in normal operation and maintenance, Cascade failed to modify those procedures when Cascade found deficiencies.

126 Based on the facts alleged in this Complaint, Cascade violated 49 C.F.R. § 192.605(b)(8), which requires Cascade to periodically review the work done by its personnel to determine the effectiveness and adequacy of the procedures used in normal operation and maintenance, and modify the procedures when deficiencies are found. This is a repeat violation from Docket PG-020640.

127 The Commission alleges a total of one violation under this Eleventh Cause of Action, before consideration of continuing violations.

VI. REQUEST FOR RELIEF

128 Staff asks the Commission to find that Respondent Cascade has failed to comply with the statutes and rules of the Commission as set forth in the allegations above.

129 Based on all of the allegations in this Complaint, Staff requests that the Commission take the following actions if the allegations are proven:

- (1) The Commission should order Cascade to cure, and provide the Commission adequate proof the Company cured, each violation alleged in this Complaint, and in the enforcement letters in the dockets identified in Paragraph 12 of this Complaint;
- (2) The Commission should assess monetary penalties consistent with RCW 81.88.040(2) and WAC 480-93-223;
- (3) The Commission should order Cascade to implement specific measures to ensure that its gas plant is in a safe and adequate condition and in compliance with Commission laws and rules.

- (4) The Commission should order such other and/or further relief as is appropriate under the circumstances.

VII. PROBABLE CAUSE

130 Based on a review of the matters asserted in this Complaint, including Attachment A, and consistent with RCW 80.01.060, the Commission finds probable cause exists to issue this Complaint.

DATED at Olympia, Washington, and effective March 21, 2011.

GREGORY J. KOPTA
Director, Administrative Law Division

Attachment A