

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of)	DOCKET PG-080292
)	
NORTHWEST NATURAL GAS)	ORDER 01
COMPANY,)	
)	
Petitioner,)	
)	
Seeking Exemption from the)	
Provisions of WAC 480-93-100)	
Relating to the Operation of Certain)	
Critical Valves During Regularly)	ORDER GRANTING
Scheduled Maintenance Activities)	EXEMPTION FROM RULE
.....)	

BACKGROUND

- 1 On February 27, 2008, Northwest Natural Gas Company (NWN or Company) filed with the Washington Utilities and Transportation Commission (Commission) a petition requesting an exemption from WAC 480-93-100.
- 2 WAC 480-93-100 states that a company must operate and maintain annually, but not to exceed fifteen months, those valves selected in their “written valve installation and maintenance program.”
- 3 NWN recently experienced a serious failure on a buried 12 inch steel valve manufactured by PBV-USA shortly after the operation of the valve. The valve is a Class 300 (MAOP 720 PSI), trunnion supported, full port, ball valve with gear operator. NWN excavated the valve to investigate the cause of the gas leak. This particular valve that failed is a ball valve where the ball is supported by a trunnion. The trunnion is attached to the valve body by six bolts. The investigation found that all six cap bolts failed causing the trunnion to separate from the valve body, therefore causing a gas release. In addition to excavating the ball valve to investigate the failure, NWN began a study to determine the root cause of the failure. NWN found in its preliminary findings that the six bolts failed due to a time-dependent manufacturing defect. Based on these findings, NWN believes it is prudent to expand the investigation of the failure and asked for relief from WAC 480-93-100 for limited annual operations and maintenance relative to the partial operation of known and suspected PBV valves with a similar design. The exemption request will

grant NWN relief from partially operating these types of valves from February 1, 2008, through July 1, 2010, during the Company's remediation of the failure.

4 Commission Staff (Staff) reviewed the request and recommended granting the exemption request to allow NWN to operate and maintain these types of valves on a limited scope until the remediation is completed. NWN proposes the following additional safety measures:

- (a) Each potentially affected valve will be leak surveyed utilizing gas detection instrumentation at intervals not exceeding 4 ½ months, but at least four times each calendar year until such time as the valve is remediated or eliminated from consideration. This condition will provide additional safety measures that may help detect leaks in their early stage and prevent the leak from becoming a hazardous condition.
- (b) The Company will provide to Staff a list of all known suspect valves, their locations, size, and installation date as the information becomes available during the course of the investigation and remediation.
- (c) On or before July 15, 2008, the Company will provide to Staff its findings on the root cause investigation and a remediation plan and schedule for addressing the affected valves.
- (d) The Company will provide to Staff monthly updates on the status of this process until completion.

FINDINGS AND CONCLUSIONS

- 5 (1) The Washington Utilities and Transportation Commission is an agency of the State of Washington vested by statute with the authority to regulate gas pipeline companies as to safety. *RCW 81.88*.
- 6 (2) NWN is a gas company operating within the state of Washington and subject to Commission jurisdiction.

- 7 (3) NWN is subject to the provisions of WAC 480-93-100, which requires gas companies to operate and maintain certain selected valves annually but not to exceed fifteen months. These valves are those that are identified in the Company's written valve installation and maintenance program required under subsections (1) and (2).
- 8 (4) The Commission may grant an exemption from the provisions of any rule in WAC 480-93, if the exemption is consistent with the public interest, the purposes underlying regulation and applicable statutes. *WAC 480-93-230; WAC 480-07-110.*
- 9 (5) It is very possible that operating the known and suspected PBV-USA valves, as required as part of annual valve maintenance could cause damage. In order to protect NWN employees and the public as the remediation is being conducted the safest option is to grant the exemption.
- 10 (6) The Oregon Public Utility Commission approved on January 22, 2008 and on February 18, 2008, two exemptions filed by NWN for exemption from periodic maintenance of PBV-USA valves.
- 11 (5) This matter came before the Commission at its regularly scheduled meeting on March 13, 2008.
- 12 (6) After reviewing the petition filed in Docket PG-080292 on February 27, 2008, and giving due consideration, the Commission finds that the exemption is reasonable and should be granted.

ORDER

THE COMMISSION ORDERS:

- 13 (1) After the effective date of this Order, Northwest Natural Gas Company is granted an exemption from WAC 480-93-100, for known and suspected valves manufactured by PBV-USA, through July 1, 2010.
- 14 (2) This exemption is subject to the following conditions:

- (a) Each potentially affected valve will be leak surveyed utilizing gas detection instrumentation at intervals not exceeding 4 ½ months, but at least four times each calendar year until such time as the valve is remediated or eliminated from consideration.
 - (b) Northwest Natural Gas Company will provide to Commission Staff a list of all known suspect valves, their locations, size, and installation date as the information becomes available during the course of the investigation.
 - (c) On or before July 15, 2008, Northwest Natural Gas Company will provide to Commission Staff its findings on the root cause investigation and a remediation plan and schedule for addressing the affected valves.
 - (d) Northwest Natural Gas Company will provide to Commission Staff monthly updates on the status of this process until completion.
- 15 (3) The Commission retains jurisdiction over the subject matter and Northwest Natural Gas Company to effectuate the provisions of this Order.

DATED at Olympia, Washington, and effective March 13, 2008.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARK H. SIDRAN, Chairman

PATRICK J. OSHIE, Commissioner

PHILIP B. JONES, Commissioner