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STATE OF WASH. October 31, 2005  
WUTC

Alan E. Rathbun  
Pipeline Safety Director  
Washington Utilities and Transportation Commission  
P.O. Box 47250  
1300 S. Evergreen Park Dr. SW  
Olympia, WA 98504

Dear Mr. Rathbun:

**Subject: Docket # PG-030438, Quarterly Report; July 1, 2005 to September 30, 2005**

This report contains the results of analyses performed by Cascade Natural Gas to update your office with our progress regarding the Compliance Order issued by the Commission. The complaint covered these primary topics: overpressure discovery and remedial action, pressure recorder maintenance, MAOP documentation issues, maintenance compliance, instrument calibration, and procedures manual review. The following are short summaries of those topics.

**Overpressure Discovery and Remedial Action:**

For the period July 1, 2005 to September 30, 2005 we have found 22 indications of overpressure on our pressure recorder charts. These indications were investigated as they were found. The investigations determine if an overpressure occurred, if a regulation device malfunctioned, if the chart malfunctioned, or a combination of those. Our 22 investigations confirmed that 3 overpressures occurred, and these were reported to WUTC. Investigations showed that no distribution system damage resulted from these events.

Comparing the results for this period with the last report on July 29:

Reporting Period	Overpressure Indications	Confirmed Overpressures	% of Indications that were Overpressures	Average Indications per Month
January 1 to July 15	111	22	19.8%	17
July 1 to September 30	22	3	13.6%	7

The likely reason for the reduction of reported overpressures is our emphasis on analysis and remediation for the cause of the overpressure. This indicates our procedures are achieving the results we desire. We will continue this program and performance monitoring.

The observed data may be affected by seasonal weather variations, and regulation device behavior during these variations. The contribution of this is not easily determined with the data

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we have collected so far. We will have to compare season-to-season data to remove that uncertainty. We have not cycled through one year's data yet, so that is not available for this report.

**Pressure Recorder Maintenance:**

For the period July 1, 2005 to September 30, 2005 we detected 39 pressure recorder irregularities. These irregularities included recorders out of calibration, wind and weather conditions causing unusual readings, pen failures, etc. Remedial actions were taken for each irregularity: recalibrating the recorder, bracing or moving the recorder box, replacing the pen, etc.

Reporting Period	Chart Irregularities	Months	Average Irregularities per Month
January 1 to July 15	96	6.5	14.7
July 1 to September 30	39	3	13

We have a slight improvement in the irregularity rate for our devices. This results from preventing a series of repeat occurrences due to the same problem on the same recorder. These repeat occurrences were contributing to the data captured in the January to July data. We will continue to monitor this measure and fix inaccurate recorder charts.

**MAOP documentation issues**

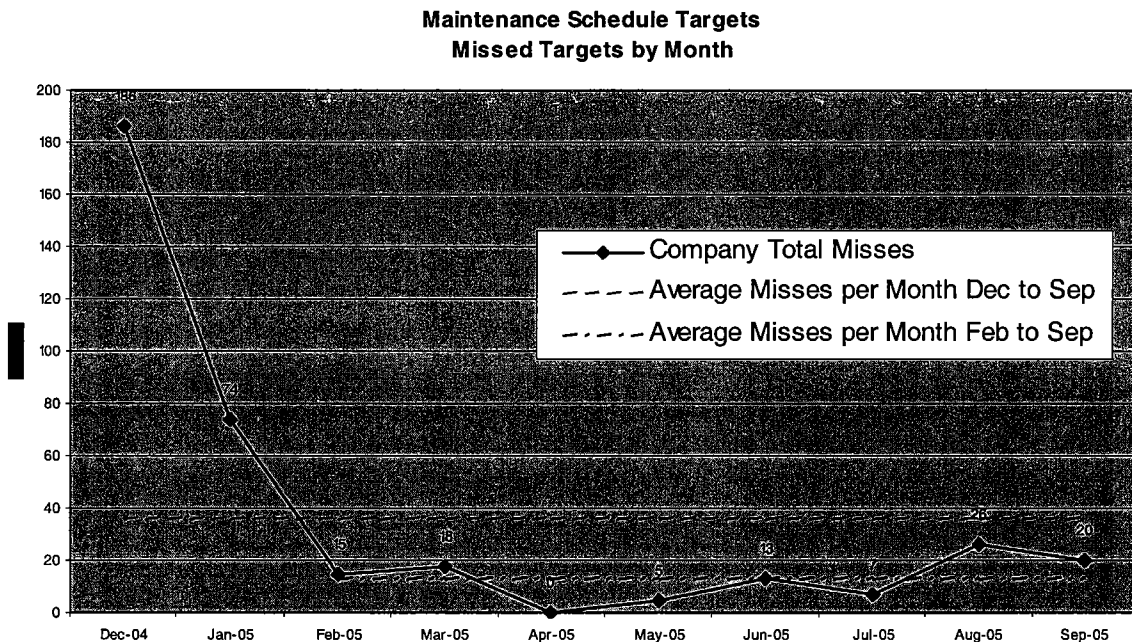
In the Complaint, Staff presented concerns that several documents showed incorrect MAOPs and there was conflicting information regarding the correct MAOP for a given pipe segment. Personnel were relying on old documents for MAOP information. To correct this issue, the Engineering department researched the appropriate MAOPs for Cascade's distribution system and published these to all operating personnel.

We experienced a few problems this period with incorrect MAOPs being written, and the field personnel were retrained. Our current program of centralized MAOP data, records review, and retraining has improved our performance. We will continue this program and performance monitoring.

**Maintenance Compliance**

In the Complaint, Staff presented several maintenance activities that did not meet the specified maintenance period. Management personnel were retrained regarding the proper scheduling of maintenance to ensure compliance. The Safety Department issues reports to District General Managers on a regular basis to aid resource scheduling.

The procedure established a "Maintenance Schedule Target" for each task. The targets are set in advance of the compliance date. The goal is to schedule and complete the task on or before the target date. For example, the target date for regulator station maintenance is 60 days prior to the compliance date. We measure our performance on a weekly basis. The following graph illustrates those measurements:



We initiated the target procedures in December 2004, and witnessed a significant increase in hitting the targets over the first 2 months. December and January were the "break-in period" for the procedure. After the area managers adjusted their scheduling, the miss rate leveled off in February. This matches the desired result of the procedure. We will continue this program and performance monitoring.

A maintenance compliance audit covering the period July 1, 2005 to September 30, 2005 was performed. We did not miss any of the 49 CFR Part 192 or WAC 480-93 prescribed periods for compliance on regulating stations, operational valves, patrols, cathodic protection surveys, and leak surveys.

Our analysis for sniff tests has found a few occurrences where tests were performed near the end of one month, with the intent that the tests apply for the following month. Example: Performing tests on August 31, intending these to count as tests for September, and subsequently taking reads in October. While this meets the spirit of the rule, it gives the appearance of a non-

compliance as no tests were performed in that calendar month. We are taking actions to clarify the requirements that the sniffs be performed at least once each calendar month.

### **Instrument Calibration**

Our analysis of instrument calibrations found that no leak detection instruments out of compliance during the study period. We did find that several instruments were calibrated very close to the compliance date. During the study period, we were not using the target philosophy for these instruments. The instruments have also been tracked separately from our other compliance tasks. We will add these instruments to our standard compliance task tracking system and apply the target schedule method.

### **Procedures Manual Review**

In the Complaint, Staff presented concerns that our procedures manual generally met the pipeline safety requirements, but details needed to be added or improved. We have started the project to review our Operations & Maintenance procedures manual for compliance with applicable pipeline safety codes (49 CFR Part 192, WAC 480-93).

Our comparison of our procedures to the rule requirements is not entirely completed. At this time, the comparison has found no gaps, except the recently changed WAC Rules. Some of our procedures have already been updated to match the requirements. One example being the WAC 480-93-200 reporting requirements. We are modifying our procedures to the new requirements, and developing a training plan.

If you have questions about this report, please contact me at (206) 381-6734.

Sincerely,



Keith A. Meissner  
Manager, Safety & Compliance