APPENDIX A

Docket No. UG-010499
Ref. No. 4-1266

CERTIFIED MAIL

June 4, 2001

Kevin Weber
Basin Frozen Foods, Inc.
1203 Basin Avenue
Warden, Washington 98857

Dear Mr. Weber:

Subject: 2001 Basin Frozen Foods Standard Audit

The Washington Utilities and Transportation Commission (WUTC) is responsible for the enforcement of the pipeline safety rules pertaining to the construction, maintenance, and operation of pipelines that transport natural gas in the state of Washington (RCW 80.28). The Commission has adopted the Code of Federal Regulations (CFR) Title 49 Parts 192 and the Washington Administrative Code (WAC) 480-93.

The purpose of the first Intrastate Transmission Standard Audit on April 23, 24, and 25, 2001, at Basin Frozen Food's (Basin) Facility in Warden, Washington, was to review manuals, records, pipeline facilities, and make field tests to verify compliance with CFR 49 Part 192 and WAC 480-93 to ensure public safety and safe pipeline operations.

Basin reports that they are negotiating with Avista to purchase a 4 inch section of pipeline. Basin's 6 inch line is currently filled with five pounds of nitrogen and not transporting natural gas. Maintaining pressure on the pipeline is an engineering practice and one the commission staff feels is appropriate. However, maintaining pressure on the pipeline does not eliminate the need for required inspections and tests.

During the Construction Audit (Docket UG-000234), Basin provided an Operations and Maintenance (O&M) manual dated April 3, 2000. Basin was advised that that the manual was inadequate in a letter dated June 23, 2000. Basin did not provide the WUTC with an updated manual.

For this Standard Transmission Audit (Docket UG-010499), WUTC staff used Basin's O&M manual dated April 3, 2000. The manual was generic and it did not include all specific

standards, instructions, or requirements meeting the minimum code. The manual did not provide appropriate procedures that clearly instruct employees or contract personnel on how to safely operate and maintain Basin's pipeline system. The manual did not contain a copy of every form Basin will use. The enclosed commission staff report has identified 22 noncompliance items of the State and Federal Code of Regulation Title 49 Part 192 and WAC 480-93.

Commission staff will appreciate Basin's review of the attached Noncompliance Report and a letter of intent to comply. The letter of intent should indicate when Basin expects to be in full compliance for each of the noncompliance items. A response is required and should be received in this office by July 6, 2001. Please direct all responses and questions to Patricia Johnson, Pipeline Safety Engineer, at (360) 664-1266.

Staff appreciates Basin Frozen Food's cooperation. Thank you for your time and interest in pipeline safety.

Sincerely,

Douglas Kilpatrick, P.E.
Pipeline Safety Director

Enclosure

Washington Utilities and Transportation Commission
Pipeline Safety Division
Noncompliance Report
Basin Frozen Foods
Warden, Washington

The following noncompliance items of 49 CFR Part 192 and WAC 480-93 were noted as a result of the pipeline standard audit of the Basin Frozen Foods (Basin) pipeline in Warden, Washington. The audit conducted on April 23, 24, and 25, 2001, included a review of procedures, records, and pipeline facilities.

1. **192.745 Transmission Valve Maintenance** – Identification and implementation of procedures.

Findings:
The operator has not identified transmission line valves and maintained records of the inspection and partial operation of the valve, on Form 287 (CP 740.042). The Transmission valves were not numbered and there location identified on Basin's maps (CP 740.041). As required in the O&M Manual, Basin's Department did not maintain valve maintenance records and enter the date of inspections as required in CP 740.073. The pipeline valve installation or completion date is not recorded. The date the valves were installed and tested determines the base line for future inspection requirements. The records of test documentation were not available.

An Example of Compliance:
Basin must identify each valve, number the valves, and map the location. Valves must be partially operated and inspected. Maintain records of all test and inspections on Basin's site. Provide the initial test documentation to the commission.

2. **WAC 480-93-120 Exposed Pipe**

Findings:
480-93-120 requires that Basin have warning signs at bridge crossings and annually inspect the warning signs. Basin's Transmission pipeline has been installed since June of 2000. 192.13 requires that the pipeline has been designed, installed, constructed, initially inspected and initially tested in accordance with this part 192. At the time of inspection, Basin did not have initial warning sign inspections. The date the warning signs were installed determines the base line for future inspection requirements

An Example of Compliance:
Provide documentation to the commission of the inspection of the bridge crossing and warning signs.

3. 192.479 Exposed Pipe Without Atmospheric Corrosion Control

Findings:
Basin's Transmission pipeline has been installed since June of 2000. 192.479 requires that each aboveground pipeline must be cleaned and either jacketed or coated with a suitable material. The regulator station has exposed pipe that has not been cleaned and either coated or jacketed. Basin's manual, CP710.041, states that "regular" stations will be coated.

An Example of Compliance:
Clean and coat or jacket the exposed pipe with a material suitable for the prevention of atmospheric corrosion in accordance with 192.479 and CP710.041. Provide evidence of compliance to the commission.

4. 192.619 Maximum Allowable Operating Pressure (MAOP)

Findings:
At the time of the WUTC inspection, Basin's O&M did not include a MAOP section (CP640). Engineering documentation and records were not available that identified the weakest element in the pipeline, the design pressure, the pressure testing and the maximum safe pressure establishing the MAOP of the section of pipeline located:

- downstream of the regulation station at U and Basin,
- downstream of the regulation station at Williams gate,
- upstream of the gate station,

An Example of Compliance:
Revise the O&M to include the MAOP for each section of pipeline (CP640). Provide a copy of the Engineering records documenting the MAOP of each section of the pipeline to the commission.

5. Starting Up and Shutting Down Any Part of the Pipeline

Findings:
At the time of inspection, Basin did not have procedures in the O&M manual for starting up and shutting down any part of the pipeline in a manner designed to assure safe operation within the MAOP.

An Example of Compliance:
Develop procedures for starting up and shutting down any part of the pipeline. Include the procedures in the O&M manual. Provide a copy of the revised procedures to the commission.

6. 192.609 Class Location

Findings:
At the time of inspection Basin had not conducted and documented a study determining the actual class location of the pipeline system as required by 192.609.

An Example of Compliance:
Conduct a class location study and have documentation available at Basin's site. Provide documentation of the study to the commission.

7. RCW 19.122.027 Promote the Single State-wide Toll-Free Number

Findings:
At the time of inspection, Basin did not have a plan to promote the single state wide toll-free number (CP835).

An Example of Compliance:
Develop and implement a plan to promote the single state wide toll-free number, 1-800-424-5555.

8. Pressure Limiting and Regulator Stations – Capacity

Findings:
Basin's engineering review and the calculations of the capacity of each regulator and relief devices were not available at the time of the inspection (CP 745.14).

An Example of Compliance:
Provide a copy of the engineering review and calculations documenting the required capacity of the regulator and relief devices.

9. CFR 192. 491 Corrosion Control Records

Findings:
Basin's transmission pipeline has been installed since June of 2000. Basin has not implemented all corrosion control requirements. For example, at the time of inspection, maps showing the location of the cathodically protected facilities, ground beds, test stations, foreign crossings, above ground piping and other records were not available. The initial cathodic protection tests documentation were not available. These dates are necessary to determine future inspection interval requirements.

An Example of Compliance:
Have a complete set of cathodic protection maps. The cathodic protection maps should include such items as the location of the cathodically protected facilities, ground beds, test stations, foreign crossings, and above ground piping. These maps should be available at Basin's site. Provide documentation confirming compliance.

10. 192.225 Welding Standards

Findings:
Basin's Welding Standards (CP 760) adopts and references API Standard 1104 "Welding of Pipelines and Related Facilities" (17th Edition, 1988). The current API 1104 in CFR 49 192 standard is API Standard 1104 "Welding of Pipelines and Related Facilities" (18th edition, 1994)

An Example of Compliance:
Revise Basin's welding standards to API Standard 1104 "Welding of Pipelines and Related Facilities" (18th edition, 1994). Provide the Commission with copies of the revised welding procedures.

11. 192.225 Qualification of Welding Procedures

Findings:
Basin maximum size of pipe is 6 inches. The current O&M procedures include pipe from 2 ¾ inches to 12 ¾ inch and wall thickness up to ¾ inch. The pipeline was welded using API standard 1104. The destructive test result qualifying the welding procedure were not available.

An Example of Compliance:
Provide the Commission with the documentation of the destructive tests results meeting the requirements of API Standard 1104 (18th Edition, 1994) or other standards.

12. CFR 49 192.705 Patrolling

Findings:
Basin has not patrolled and maintained records in accordance with the minimum standards to observe surface conditions for indications of factors affecting the safety and future operation of the pipeline. Staff found that Basin's Patrolling procedures are for distribution lines (CP730). Basin is a transmission line. There were no patrolling records or documentation from the date of installation available at the time of inspection.

An Example of Compliance:
Provide transmission patrolling procedures in the O&M manual. Do patrols in accordance with 192.705. Patrol to observe surface conditions on and adjacent to the transmission line right of way for indications of leaks, construction activity, and other factors affecting safety and operations. Use Basin's chosen patrolling method(s). Do the patrols in the required timeframe. Provide a copy of the patrol records and revised procedures to the commission.

13. CFR 49 192.179(b) (l) Transmission Line Valves

Findings:
Basin's transmission pipeline has been installed since June 2000. At the Williams and Basin gate station, the valves are not protected from tampering and damage. The fence is down and accessible to the public.

An Example of Compliance:
To protect the valves and the operating device from tampering and damage, repair the fence and lock the valves. Provide documentation to the commission

14. CFR 49 192.605 Abnormal Operations

Findings:
Basin did not have procedures addressing abnormal operations conditions in the O&M manual. 192.605 (a) requires that transmission lines must include procedures for handling abnormal operations.

An Example of Compliance:
Develop abnormal operation procedures and include the procedures in the O&M manual in accordance with 192.605. Provide a copy of the revised procedures to the commission.

15. CFR 49 192.615(b) (2) Training

Findings:
Basin's O&M manual (CP925.029) provides for training but does not include the training and procedures. The Training Program should assure that employees are knowledgeable of the emergency procedures.

An Example of Compliance:
Develop a Training Program and procedures and verify that the training is effective. Include the training program in Basin's O&M manual. Maintain the training and documentation at Basin's facility. Provide a copy of the training program and procedures to the commission.

16. CFR 49 192.605 (b)(9) O&M Manual

Findings:
Basin's manual (CP925) does not mention taking adequate precautions in excavated trenches to protect personnel from the hazards of unsafe accumulation gas and making available when needed at the excavation, emergency rescue equipment, including a breathing apparatus and a rescue harness and line.

An Example of Compliance:
In Basin's Manual, include procedures for precautions to be taken in excavated trenches, procedures for providing emergency rescue equipment at emergency sites and include breathing apparatus and rescue harness with line.

17. <u>CFR 49 192.615 Emergency Plan - Prompt and Effective Response (CP925.012)</u>

Findings:
Basin's Emergency policy did not include procedures using the four criteria established for prompt and effective response. The criteria are gas detected inside or near a building, fire located near or directly involving a pipeline facility, explosion occurring near or directly involving a pipeline facility, and natural disaster as required by 192.615 (3). Basin's Emergency Plan does not specify that Basin has established schedules and maintained liaison with appropriate fire, police and other public officials as required 192.615 (c).

An Example of Compliance:
Establish and maintain adequate means of communication with appropriate officials. Develop emergency procedures that provide prompt and effective response to a notice of:

1. Gas detected inside or near a building,
2. Fire located near or directly involving a pipeline facility,
3. Explosion occurring near or directly involving a pipeline facility and
4. Natural disaster.

Revise the procedures so employees using the plan will have adequate information. Provide a copy of the procedures to the commission.

18. <u>CFR 49 192.615 Emergency Plan</u>

Findings:
Basin Emergency Plan CP925.013 refers to CP515 for filling out Basin's Form 175, "Emergency Reporting Work Sheet". Section CP515 is not in Basin's manual. A copy of Form 175 is not in Basin's manual.

An Example of Compliance:
Prepare written procedures for filling out Basin's Form 175 "Emergency Reporting Work Sheet". Include a copy of the procedures and Form 175, Emergency Reporting Work Sheet in the manual. Provide a copy of the procedure and Form to the commission.

19. <u>CFR 49 192.179 b 2 Transmission Line Valves</u>

Findings:
192.179 b 2 requires each valve must be supported to prevent settling of the valve or movement of the pipe. Staff found, at the intersection of U and Basin, that the underground portion of the regulator station exposed. The valve is not supported to prevent settling of the valve or movement of the pipe.

An Example of Compliance:
Provide proper support to prevent settling of the valve or movement of the pipe. This can be accomplished by backfilling the ditch.

20. CFR 49 192.717 Permanent Field Repair of Leaks

Findings:
During the audit, staff was told that Permanent field repair of Leaks was in section CP766 of Basin's O&M manual. There is not a Section CP766 in the manual.

An Example of Compliance:
Include Permanent field repair of leaks in Basin's O&M Manual. Provide the commission with a copy of the repair procedures.

21. CFR 192.613 Continuing Surveillance

Findings:
Basin's transmission pipeline has been installed since June 2000. Basin has no documentation that continuing surveillance is being preformed. Continuing Surveillance is a management review of class location, failures, leakage history, corrosion substantial changes in cathodic protection requirements, and other unusual operating and maintenance conditions. This will require Basin and Cascade to review each of the items on a regular schedule. This procedure is not in the manual and management reviews have not been documented.

An Example of Compliance:
Provide documentation that all records are periodically reviewed by Basin and Cascade to determine if any unsatisfactory conditions exist.

22. CFR 192.602 and 192.603 Operation and Maintenance Procedures

Findings:
Basin's Operations and Maintenance (O&M) manual dated April 3, 2000, was provided to commission staff. Staff review of this manual found that the procedures were generic and not complete, and they did not include the specific requirements to meet the minimum code for Basin's operation. The O&M Manual contains distribution procedures not applicable to Basin's transmission pipeline. The plan did not provide appropriate instructions and standards that clearly state procedures to safely operate and maintain Basin's pipeline system. The manual was not reviewed, updated or modified as appropriate and the procedures followed as required. The following are examples of procedures not included or not meeting the minimum requirements:

P1 191.5 Telephonic notice of incidents – Procedure - Specific to Basin. For example Telephonic notice to Basin's central control (CP 720.013) did not include the Commission's 24 hour notification number and the Federal

Office of Pipeline Safety 24 hour notification phone numbers are not included under telephonic Notice.

P2 191.5 Telephonic notice of incidents – Procedure - Specific to Basin. For example, the lines of communication are not clear on how the information will be passed from the field to the chief engineer.

P3 191.5 Telephonic notice of incidents – Procedure – for filing RSPA form F 7100.2.

P4 192.24. Welding Procedures - Specific to Basin.

P5 192.227 Qualification of Welders – Specific to Basin.

P6 192.225 Welds – Standards of Acceptability - Specific to Basin.

P7 192.225 Qualification of Welding procedures – Specific to Basin.

P8 WAC 480-93-110 Corrosion Control - Procedures not applicable to Basin's cathodically protected system. For example, casings, bonds, rectifiers and gas mains (CP 755).

P9 192.475 Internal Corrosion Control-Procedures are not complete. For example, full investigation for internal corrosion and the remedial action. (CP755.032).

P10 192.479 -Atmospheric Corrosion – Procedures for prevention of atmospheric corrosion are not complete. For example, cleaning, coating or jacketing, monitoring and remedial action.

P11 192.481- Atmospheric Corrosion – Procedures for atmospheric corrosion inspection. For example, re-evaluate each exposed pipeline and take appropriate remedial action whenever necessary.

P12 192.491 Corrosion Control Records - Procedures for record retention and maps. For example, maps showing the location of cathodically protected piping, cathodic protection facilities and galvanic anodes.

P13 192.609 Class Location and study.

P14 RCW 19.122-035. Damage Prevention - Follow up inspections when excavation is located near pipeline.

P15 RCW 19.122-035. Damage Prevention - Inspecting Pipelines for Damage when the pipe is exposed.

P16 RCW 19.122-035. Damage Prevention - Notifying First Responders and Commission of blowing gas leaks.

P17 192.616 Public Education – Specific to Basin Operation.

P18 192.625 Odorization Procedures – Specific to Basin Odorizer and identifying the designated representative (CO 690).

P19 192.605 Emergency Operating Plan – Specific to Basin.

P20 192.619 and 192.621 Maximum Allowable Operating Pressure (MAOP) – Has not been established with the downstream regulations station number 2 located at the junction of U and Basin.

P21 192.617 Failure Investigation – Procedure - Specific to Basin. For example, who will be responsible for failure investigation?

P22 192.613 Continuing Surveillance –Procedure – Specific to Basin.

P23 192.605 Starting up and shutting down the pipeline - Procedures – Specific to Basin.

P24 192.605 Abnormal Procedures – Procedures – Specific to Basin.

P25 192.615 Emergency Operating Plans – Procedure - Specific to Basin.
P26 192.614 c 3 Damage Prevention – Procedure- Specific to Basin.
P27 192.627 Tapping pipelines under pressures – Procedure- Specific to Basin.
P28 192.739 Pressure Limiting and Regulator Stations – Procedure not applicable to Basin's operations for example, regulators 6 inches and larger. (CP 745.011)
P29 192.705 Transmission Patrolling – Specific to Basin.
P30 192.706 Transmission Leak Surveys – Specific to Basin. For example, remove distribution leak survey requirements from the manual.
P31 192.809 Operator Qualification - Procedures – not in the manual.
P32 192.745 Valve Maintenance – Procedures – Specific to Basin.
P33 192.727 Abandonment of underground gas piping – Specific to Basin.