Woodard, Marina (UTC)

From: Morehouse, Jody [Jody.Morehouse@avistacorp.com]
Sent: Wednesday, October 14, 2009 9:29 AM
To: Woodard, Marina (UTC)
Cc: Cox, Bryan; Faulkenberry, Mike; Fisher, Al; Kopczynski, Don; Busko, Kristen
Subject: Response to UTC Report PG-090076
Attachments: 2009 AVA Response to UTC PG090076.pdf

Marina,

Please find attached Avista's response to UTC report PG-090076. A hard copy will follow via certified mail. If you have any questions, please contact me.

<<2009 AVA Response to UTC PG090076.pdf>>

Kind Regards,

Jody

Jody Morehouse, PE

Gas Measurement, Planning, and Compliance Manager

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Submitted via e-mail and certified mail

October 13, 2009

Ms. Anne Soiza
Pipeline Safety Director
Washington Utilities and Transportation Commission
1300 S Evergreen Park Dr. SW
PO Box 47250
Olympia, WA. 98504-7250

Re: Docket PG-090076, 2009 Natural Gas Standard Inspection – Pullman/Clarkston, Washington

Dear Ms. Soiza,

In response to the Washington Utilities and Transportation Commission ("Commission") natural gas inspection of Avista Utilities' ("Avista") facilities in Pullman and Clarkston, Washington, conducted during the weeks of June 7 and June 21, 2009. On September 14, 2009, Commission staff sent Avista and inspection report ("Inspection Report"). The Inspection Report indicates a series of 5 probable violations of natural gas safety regulations. Specifically, the Inspection Report indicates that:

1. Avista was in violation of WAC 480-93-180 (1), Plans and Procedures;
2. Avista was in violation of WAC 480-93-110 (9) Corrosion;
3. Avista was in violation of 49 CFR 192.481, Atmospheric Corrosion;
4. Avista was in violation of 49 CFR 192.739, Pressure limiting and regulating stations: Inspection and testing;
5. Avista was in violation of WAC 480-93-170 (7), Tests and reports for pipelines.

1. **Charge: Avista is in violation of 480-93-180, specifically alleging that Avista's O&M manual does not include a method to identify high occupancy structures.**

   Avista's O&M Manual defines what qualifies as a high occupancy structure and therefore is compliant with 480-93-180 with respect to this issue.

   In Gas Standard and Specification 5.11, p. 5 of 16, a high occupancy structure is defined as "a structure which is normally occupied by 20 or more persons on at least 5 days a week for 10 weeks in any 12-month period. (The days and weeks need not be consecutive.) Structures and areas include churches, hospitals, schools, and may include assembly buildings, outdoor theaters, outdoor recreation areas, etc." Structures that meet this definition are identified as high occupancy. In several areas throughout the O&M manual, various design and maintenance activities that are required for this type of structure are detailed.

   There were no records reviewed during the Inspection that indicate Avista missed identifying a high occupancy site.

2. **Charge: Avista is in violation of 480-93-110 (9), specifically alleging that Avista Atmospheric Corrosion monitoring program does not include detailed procedures for "can't gain access" situations.**

   Avista agrees that its O&M Manual does not provide direction for "can't gain access" situations. Avista will add language to the next revisions of the O&M manual and Atmospheric Corrosion Scope of Work document to list what actions may be taken for "can't gain access" situations.

   It should be noted that there were no records reviewed during the Inspection that indicate Avista was unable to gain access to any atmospheric corrosion monitoring site in the Pullman or Clarkston construction areas. Avista strives to not have "can't gain access" situations.

3. **Charge: Avista is in violation of 192.481, specifically alleging that Avista did not inspect all above ground pipe in accordance with this section.**

   Finding A: Meter less risers

   Prior to the UTC safety inspection, Avista identified the need and developed a process to incorporate meter less risers ("idle risers") into the computer-generated list of sites required for the atmospheric corrosion inspection program. Avista did not clearly articulate this process during the inspection.

   It was Avista's plan to inspect these sites in a separate cycle from the initial inspection in 2009 and this work is currently ongoing and due to be completed before year's end. These sites were not included in the initial patrol lists because additional data was required to allow for the generation of computerized lists. To wait for the incorporation of this data would have delayed the initial patrolling activity for the metered sites which would have not allowed Avista to complete the project in a timely manner. Future inspections will not have this delay now that the data has been incorporated.

   Therefore, Avista believes that by completing the inspection within the allotted time frame this is no longer a violation of 192.481.

   Finding B: Adequacy of inspection

   Avista will add language to the Atmospheric Corrosion Prevention Field Maintenance Scope of Work that clarifies that a level of light oxidation is permissible as long as active corrosion (metal loss) is not found. Improvements will be made to the program to account for conditions at the air-to-soil interface.

4. **Charge: Avista is in violation of 192.739, specifically alleging that Avista's Mooney Series 20 pilots are not adequately protected from dirt, liquids or other conditions that might prevent proper operation.**

Dresser, Inc. has supplied Avista with a letter that states the following, "...the Mooney pilot and/or regulator, does not require protection from the elements and is frequently installed in exposed pipelines without incident. This note applies to all pilot mounting configurations." They further state that, "...performance will not be affected by the position of the pilot." This letter is attached to this response.

Avista receives the regulator and pilot assemblies from the manufacturer ready to install. Depending on field conditions, Avista will occasionally add additional venting protection or pilot heaters where deemed necessary with the consultation of engineering staff and by direction of its own Gas Engineers. 49 CFR 192.739 does not require that all vents must be oriented downward to be protected from dirt, liquids, or other conditions that might prevent proper operation.

In fact, Avista's Chief Gas Engineer believes that in some cases in our service territory, a downward orientation of the small pilot vents creates a safety concern. In a downward orientation, these vents may be more prone to freezing from snow and water that drips off the regulator.

Avista believes that requiring all pilot vents to be oriented downward is not in the best interest of its customers.

5. **Charge: Avista is in violation of WAC 93-170 (7), specifically that Avista's pressure test data omitted the time of day**

   Avista acknowledges that its current test stickers don't include the time of day, as required by the latest revision of the WAC. Avista will modify their pressure test documentation to include those items as outlined in the WAC 480-93-170 (7). This update will be included in the next revision of the O&M plan.

During the inspection, four areas of concern were also noted in the Commission's report. Specifically, the Commission is concerned with:

1. Avista failed to correctly report the number of third party damages incurred;
2. Avista could not demonstrate that its maps were updated within six months of then the construction activity was completed;
3. Avista's Atmospheric Corrosion monitoring program does not include or the intent is not obvious on all elements of the plan (remediation timeframes and records locations); and
4. Avista did not record the date of the replacement of line markers.

1. **Avista failed to correctly report the number of third party damages incurred.**

   As stated in the Report, Avista submitted an updated report prior to the date of this letter.

2. **Avista could not demonstrate that its maps were updated within six months of when the construction activity was completed**

As stated in the Report, Avista is developing a change to the map posting system by the end of 2009.

3. **Avista's Atmospheric Corrosion monitoring program does not include or the intent is not obvious on all elements of the plan (remediation timeframes and records locations)**

   Avista will add clarifying language to atmospheric corrosion program, including remediation timeframe information.

   The next revision of Avista's O&M plan will be published in January 2010 and will include accurate information about how Atmospheric Corrosion monitoring program records are kept.

4. **Avista did not record the date of the replacement of line markers.**

   Avista will take this Area of Concern under advisement for future revisions of our O&M plan.

Avista appreciates the opportunity to provide this response to the Inspection Report. If you have any questions in regard to Avista's response, please contact Jody Morehouse at (509) 495-2760 or Kris Busko at (509) 495-8767.

Respectfully yours,

Don Kopczynski
Vice President – Operations
Avista Utilities

cc: File
Bryan Cox
Mike Faulkenberry
Jody Morehouse
Kris Busko
Jenny Blaylock
Pat Ehrbar
David Meyer

att:

Sept. 1, 2009

TO: Avista Utilities

FROM: Ken Mears
Engineering Manager - PRG

SUBJECT: Mooney Series 20 Pilot Mounting Recommendation

As is the case with most manufactured products, we constantly receive requests for recommendations concerning the installation and operation of our pressure regulators. On page 8 of our Pilot IOM Manual, we have stated that "It is recommended that the vent connection (vent port on the pilot) face down when the pilot is mounted on the regulator so that condensation will drain away instead of accumulating and possibly freezing." Please keep in mind that this is a recommendation and not a limitation of the Series 20 Pilot.

On page 5 of that same manual, we provide the following General Warning for equipment installed in an enclosed environment: "Pilot spring cases and the regulator enclosure should be vented to a safe area away from air intakes, or any hazardous location. The vent lines and stacks must be protected against condensation and plugging." This warning does not apply to the equipment specifically but rather to the vent lines attached to the equipment and routed out of the enclosed environment.

Please also note that the Mooney equipment, pilot and/or regulator, does not require protection from the elements and is frequently installed in exposed pipelines without incident. This note applies to all pilot mounting configurations.

The Series 20 Pilot is designed to operate in any position, horizontal or vertical (see IOM Manual page 5, section 4), and ships from the factory with a bug vent installed in the vent port. For ease of operation and disassembly, the Series 20 Pilot is frequently mounted in the vertical position with the vent port in the horizontal position, a configuration referred to as Mounting C. Customer preference is the overriding factor in determining the position of the Mooney Series 20 pilot and performance will not be affected by the position of the pilot.

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