SENT VIA CERTIFIED MAIL

February 8, 2011

David D. Lykken
Pipeline Safety Director
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Dr. SW
Olympia WA, 98504-7250

Re: Docket PG-100054

Dear Mr. Lykken:

Please find enclosed the J.R. Simplot Company's response to the 2010 Natural Gas Pipeline Standard Inspection (Moses Lake Facilities), Docket PG-100054.

Should you have any questions, please do not hesitate to contact Bill Gilmour directly at (509) 760-4940. Your cooperation and assistance in this matter is greatly appreciated.

Sincerely,

Mark McKellar
Food Group President
J.R. Simplot Company

Enclosures
PG-100054 response package

cc:
Cosentino Consulting Inc.
Pipeline facility files

Response to Simplot Moses Lake 2010 Biogas Pipeline Safety Inspection Docket PG-100054

Probable Violations

1. **WAC 480-93-180 Plans and procedures**

   (1) Each gas pipeline company must have and follow a gas pipeline plan and procedure manual (manual) for operation, maintenance inspection, and emergency response activities that is specific to the gas pipeline company's system. the manual must include plans and procedures for meeting all applicable requirements of 49 CFR §§ 191, 192 and chapter 480-93 WAC, and any plans or procedures used by a gas pipeline company's associated contractors.

   Finding(s):

   Simplot's O&M manual for Operating Parameter Changes (Section 8.5) did not establish procedures addressing Abnormal Operating Conditions located in Appendix F.

   Response:

   A facility specific Abnormal Operating Procedure has been prepared. See attachment 1

2. **49 CFR 192.605 Procedural Manual for Operations Maintenance and Emergencies**

   (a) General. Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response.

   Finding:

   Simplot's O&M manual (Section 3.8) require the pipeline be surveyed for leakage at least twice each calendar year, at intervals not exceeding 7.5 months The pipeline was commissioned in August 4, 2009 and leak surveys were completed on November 20, 2009 and July 29, 2010. Simplot exceeded the 7.5 months for completing the second leak survey.

   Response:

   To prevent reoccurrence of this issue, the pipeline tasks have been input into a new corporate task tracking system called E-Trak. E-Trak is a system that allows a task to be assigned to a specific employee and includes a mechanism to provide reminders and follow up to insure the tasks completion

   See attachment #2 for typical examples of E-Track.

Areas of Concern

Finding A:

Section 9.1.4.3.a. Pipeline ID number 32358 needs to be corrected to 32395.

Response:

The correction has been made. See attachment 3.

Finding B:

Procedure P-37 Conducting a Pipeline Marker Survey, Section 5 Inspection Frequency needs revision from 5 years to calendar year but not to exceed 15 months.

Response:

The correction has been made. See attachment 4.

ATTACHMENT 1

1 PURPOSE

The purpose of this procedure is to provide direction for the identification and response to abnormal operating conditions associated with pipeline operations.

2 DEFINITIONS

ABNORMAL CONDITION — Abnormal operating condition means a condition identified by the operator that may indicate a malfunction of a component or deviation from normal operations that may indicate a condition exceeding design limit or result in a hazard(s) to persons, property, or the environment.

ATYPICAL CONDITION — Not all atypical operating conditions are abnormal. An example is a pipeline which can operate up to 200 pounds per square inch, but which typically operates at 50 pounds per square inch. Operating this pipeline at 150 pounds per square inch could be atypical, not abnormal.

3 EQUIPMENT

(NONE)

4 SAFETY

.1 Different abnormal operating conditions require different safety equipment. Employee vigilance is needed to recognize the abnormal condition at hand and what safety equipment is required for that condition.

5 ABNORMAL OPERATION INDICATORS

.1 Each Simplot employee will be alerted to the presence of an abnormal operating condition when indicated by any of the following conditions:

a. Unintended closure or opening of valves, or inability to open or close valves,
b. Increase or decrease in pressure, temperature or flow rate outside the normal operating limits,
c. Loss of communications or power,
d. Operation of any safety device,
e. Any other malfunction of a component, deviation from normal operation, or personnel error that could cause a hazard to persons or property.

.2 In addition, each employee must be alert for other situations outside the pipeline system which may require special consideration, such as the possibility of severe weather, fire or earthquake, bomb threat or civil unrest.

6 CONDITIONS CONSTITUTING AN EMERGENCY

Emergency Conditions differ from Abnormal Operating Conditions and require different responses. Any condition involving a;

a. confirmed gas leak,

b. gas detected inside or near a building,

c. a rupture,

d. fire or explosion, or

e. natural disaster

constitutes an EMERGENCY, and Simplot shall take immediate action in accordance with the Emergency Procedure Manual.

7 INITIATING ACTION

The responsibility for detection and notification of an Abnormal Operating Condition exists with the employee that detects that condition. An Abnormal Operating Condition may be detected as follows:

a. The Pipeline Monitoring System Alarms.

b. Simplot is notified by telephone that someone has detected a problem at the Pipeline facilities or on the Pipeline right-of-way.

c. A Simplot Employee detects a problem associated with the Pipeline facilities or on the Pipeline right-of-way.

If an Abnormal Operating Condition is detected as listed in item a or b above, the Pipeline Manager or designated Simplot employee shall be notified immediately and that operator will investigate the Abnormal Operating Condition, if necessary.

8 UNINTENDED VALVE CLOSURE OR THE INABILITY TO OPERATE A VALVE

If a Simplot employee discovers a valve that is not in the proper position, then the Simplot employee shall notify the Simplot Pipeline Manager. Approval from the Simplot Pipeline Manager must be obtained before that valve is returned to the proper position.

If during routine valve inspection, the Simplot employee is unable to open or close a valve, the Simplot Pipeline Manager shall be notified and appropriate action shall be taken to promptly repair or replace the improperly operating valve.

9 OPERATING PARAMETER CHANGES

SECTION 9 OF THIS MANUAL SHALL BE CONSULTED FOR GUIDANCE REGARDING TELEPHONIC OR WRITTEN NOTICE THAT MAY BE REQUIRED TO REGULATORY AGENCIES.

9.1 LOW PIPELINE PRESSURE AT THE DIGESTER

.1 Low pressure at the digester: If the pressure indication at plant site is normal, then the Simplot employee shall investigate the pressure indicating equipment located at the digester facility for possible instrumentation failure.

.2 If the pressure indication at the plant site is also low, then a leak may exist on the bio gas pipeline between the digester and the plant.

.3 If no leaks exist on the bio gas pipeline between the digester and the plant are found, then the biogas compression equipment may be at fault and must be investigated.

9.2 HIGH PRESSURE AT THE PLANT SITE

.1 The most likely cause for this condition to occur would be a failure of the pressure indicating instruments.

.2 If the pressure indication at the digester agrees with the pressure indication at the plant site, then the Simplot employee should investigate the compression equipment at the digester.

.3 If the high pressure indication at the plant site is the result of an instrument failure then that instrument shall be repaired or replaced as soon as possible.

9.3 LOW PRESSURE AT THE PLANT SITE

.1 Low Pressure at the plant site: The Simplot employee must determine from all available information whether any of the following situations have occurred:

a. Line leak.

b. Block valve closed.

c. Failure of the compression equipment at the digester.

d. Instrumentation failure

.2 Until the cause of the low pressure has been determined the following notifications shall be made:

a. Simplot Pipeline Manager

b. Boiler room

.3 If the low pressure condition can be remedied without shutting down the Pipeline, then appropriate action shall be taken, otherwise the individuals notified above should be notified that the Pipeline must be shut down and for how long that shut down will occur. The individuals notified above shall be notified again when the low pressure condition has been remedied.

.4 A Safety Related Condition Report or an Incident Report may be required as detailed in Section 9 of this manual.

9.4 LOW OR NO FLOW INDICATION AT THE DIGESTER

.1 If the flow rate at the plant site is within normal ranges, then the Simplot employee shall investigate the digester compression equipment for a possible meter failure.

.2 If the flow rate at the plant site is also low, then investigation of the digester compression equipment must occur.

9.5 LOW OR NO FLOW INDICATION AT THE PLANT SITE

.1 If all other indicators are within normal operating parameters, then the Simplot employee shall investigate the plant site for possible equipment failure.

.2 If there are other abnormal operating parameters (e.g. low pressure) then the Simplot employee shall investigate the Pipeline facilities and right-of-way for other possible problems and corrective action and notification shall be taken as necessary and consistent with this manual.

9.6 HIGH TEMPERATURE DOWNSTREAM OF THE DIGESTER FACILITY

.1 The most likely cause for this condition would be failure of some component related to the digester facility.

10 LOSS OF COMMUNICATIONS OR POWER

.1 The Simplot employee shall investigate the cause of the problem and if possible repair the problem.

.2 If the operator is unable to promptly repair the problem then the Simplot Pipeline Manager shall be notified and the problem shall be repaired as soon as possible.

11 OPERATION OF ANY SAFETY DEVICE

SECTION 9 OF THIS MANUAL SHALL BE CONSULTED FOR GUIDANCE REGARDING TELEPHONIC OR WRITTEN NOTICE THAT MAY BE REQUIRED TO REGULATORY AGENCIES.

Other conditions: If uncertain whether any other operating condition requires action as detailed in the EMERGENCY PROCEDURES MANUAL then the Simplot employee shall immediately contact the Simplot Pipeline Manager for further guidance.

12 OTHER MALFUNCTION OR ERROR

.1 Any other malfunction of a component, deviation from normal operation, or personnel error that could cause a hazard to persons or property must be investigated and action must be taken to eliminate the potential hazard.

.2 The Simplot employee will investigate any such event and initiate appropriate remedial actions.

13 RETURN TO NORMAL OPERATIONS

.1 If the abnormal operating condition has required that equipment be removed from service, approval from the Simplot Pipeline Manager shall be obtained before returning that equipment to service.

14 ABNORMAL OPERATION INVESTIGATION

The Abnormal Operating Condition Incident Form (F-2) shall be completed any time a significant AOC is detected, particularly if follow-up action is required. Form F-2 does not need to be completed just because a pipeline alarm is received. Examples of AOCs that should be documented on the AOC incident report:

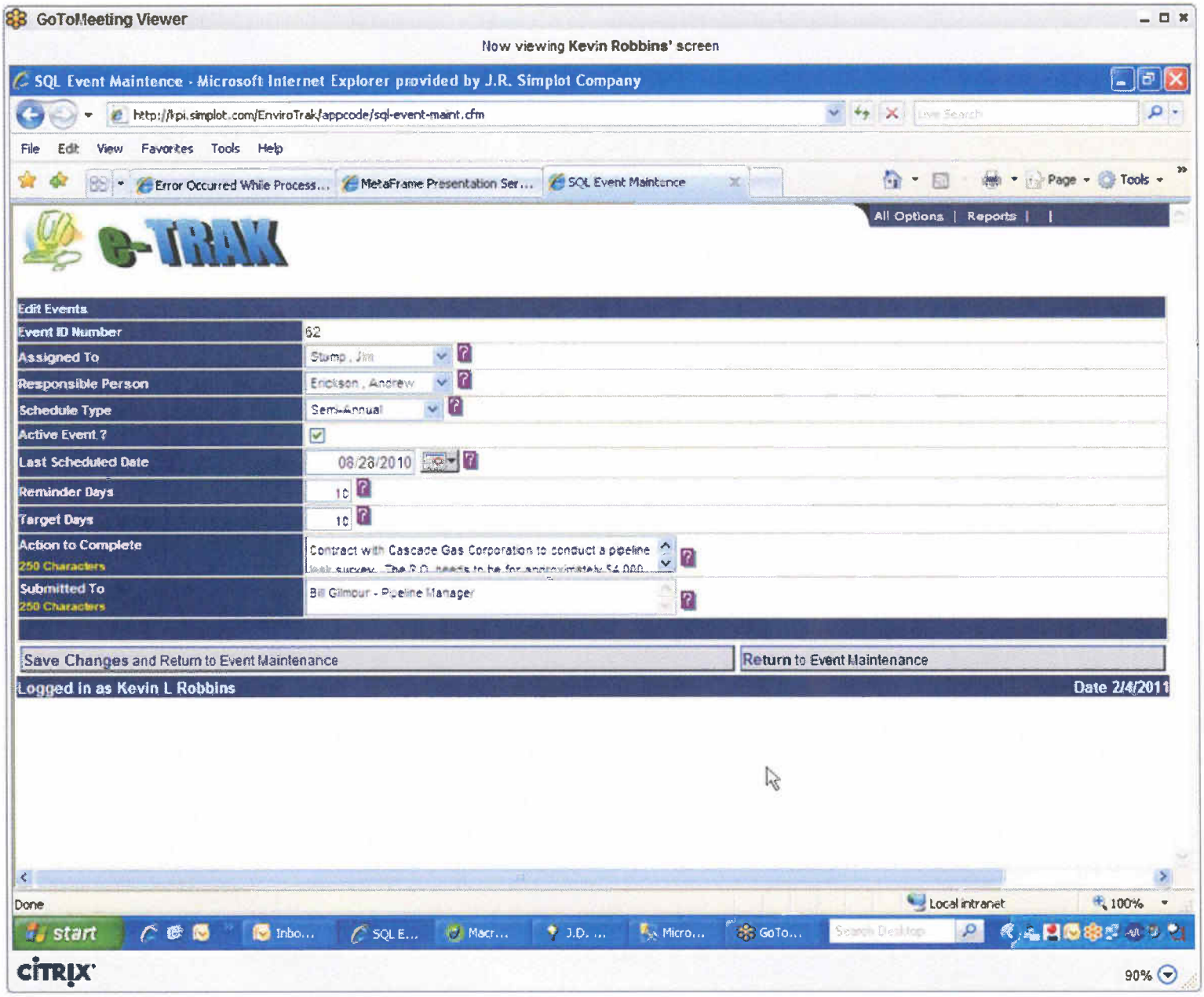
1. Earthquake in the area, resulting in a system-wide investigation for earth movement or other problems.
2. Fire on or near the pipeline that results in emergency response procedures being implemented.
3. Failure of some component of the pipeline where that component can not be repaired immediately. Examples might be an extended communications outage to between the plant and digester.
4. Any other AOC that is deemed significant by the Simplot Pipeline Manager.

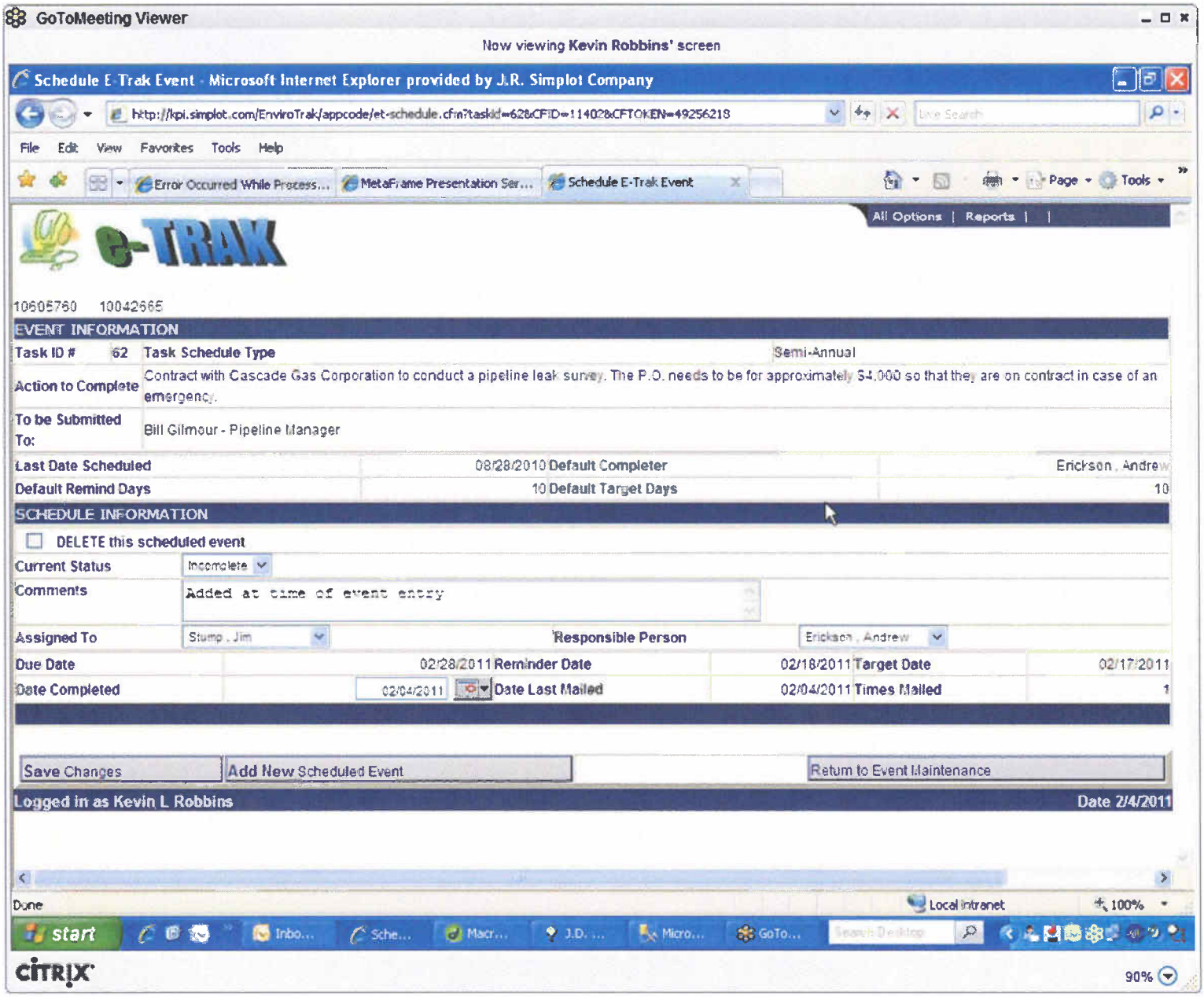
15 PERSONNEL REVIEW

.1 The response of operating personnel will be evaluated periodically by the Simplot Pipeline Manager to determine the effectiveness of the procedures controlling abnormal operation.

.2 If deficiencies are found, additional training or other corrective action will be taken.

ATTACHMENT 2


GoToMeeting Viewer
Now viewing Kevin Robbins' screen
SQL Event Maintence - Microsoft Internet Explorer provided by J.R. Simplot Company
http://kpi.simplot.com/EnviroTrak/appcode/sql-event-maint.cfm
File Edit View Favorites Tools Help
Error Occurred While Process...
MetaFrame Presentation Ser...
SQL Event Maintence
Page Tools
All Options | Reports |
e-TRAK
Edit Events
Event ID Number
62
Assigned To
Stump , Jim
Responsible Person
Erickson , Andrew
Schedule Type
Semi-Annual
Active Event ?
Last Scheduled Date
08/28/2010
Reminder Days
10
Target Days
10
Action to Complete
250 Characters
Contract with Cascade Gas Corporation to conduct a pipeline
Submitted To
250 Characters
Bill Gilmour - Pipeline Manager
Save Changes and Return to Event Maintenance
Return to Event Maintenance
Logged in as Kevin L Robbins
Date 2/4/2011
Done
Local intranet
100%
start
Inbo...
SQL E...
Macr...
J.D. ...
Micro...
GoTo...
Search Desktop
CITRIX
90%


GoToMeeting Viewer
Now viewing Kevin Robbins' screen
Schedule E-Trak Event - Microsoft Internet Explorer provided by J.R. Simplot Company
http://kpi.simplot.com/EnviroTrak/appcode/et-schedule.cfm?taskid=628&CFID=11402&CFTOKEN=49256218
File Edit View Favorites Tools Help
Error Occurred While Process...
MetaFrame Presentation Ser...
Schedule E-Trak Event
Page Tools
All Options | Reports |
E-TRAK
10605760 10042665
EVENT INFORMATION
Task ID # 62
Task Schedule Type
Semi-Annual
Action to Complete
Contract with Cascade Gas Corporation to conduct a pipeline leak survey. The P.O. needs to be for approximately $4,000 so that they are on contract in case of an emergency.
To be Submitted To:
Bill Gilmour - Pipeline Manager
Last Date Scheduled
08/28/2010
Default Completer
Erickson , Andrew
Default Remind Days
10
Default Target Days
10
SCHEDULE INFORMATION
DELETE this scheduled event
Current Status
Incomplete
Comments
Added at time of event entry
Assigned To
Stump , Jim
Responsible Person
Erickson , Andrew
Due Date
02/28/2011
Reminder Date
02/18/2011
Target Date
02/17/2011
Date Completed
02/04/2011
Date Last Mailed
02/04/2011
Times Mailed
1
Save Changes
Add New Scheduled Event
Return to Event Maintenance
Logged in as Kevin L Robbins
Date 2/4/2011
Done
Local intranet
100%
start
CITRIX
90%

ATTACHMENT 3

.4 Safety Related Condition Reports shall be prepared on form F-25.

.5 The reporting requirements do not apply to those Safety-Related Conditions that:

a. Exist on a master meter system or a customer service line;

b. Becomes a Reportable Incident or results in a Reportable Incident before the deadline for filing a safety-related condition report; and

c. Is more than 220 yards from a building intended for human occupancy or an outdoor place of assembly and is not within a right-of-way of an active railroad, paved road, street or highway.

d. Is corrected by repair or replacement before report deadline.

.6 All corrosion conditions except localized pitting on an effectively coated and cathodically protected Pipeline.

9.1.4 PHMSA Reportable Incidents [§191.15]

.1 The Simplot Pipeline Manager shall be responsible for recognizing and reporting Reportable Incidents as required by §191.3, §191.5 and §191.15.

.2 Procedure P-6 has been established to provide guidance for making telephonic reports and preparing written reports.

.3 Each Reportable Incident shall be reported at the earliest practicable moment following discovery by telephone to the National Response Center at 1-800-424-8802 and shall include the following information:

a. Pipeline ID number 32395, name and telephone number of person reporting Incident;
b. Location of Incident;
c. Time of Incident;
d. Number of fatalities and personal injuries, if any;
e. Other significant, known facts that are relevant to cause and extent of damage.

.4 Reportable Incidents shall be reported on the appropriate PHMSA form 7100.2 (form F-8) as soon as practicable, but not more than 30-days after discovery by Employee. After initial reporting, supplementary information shall be reported as soon as practical.

ATTACHMENT 4

Simplot	Date Issued N/A	Page No. 1 of 1	Reference WAC 480-93-124
DRAFT	Revision # 0.1	Subject: **PROCEDURE P-37 Conducting a Pipeline Marker Survey**	

1 PURPOSE

The purpose of this procedure is to establish how pipeline marker surveys will be conducted.

2 DEFINITIONS

Pipeline Marker	A marker or sign compliant to 49 CFR 192.707

3 EQUIPMENT

Replacement markers.

4 SAFETY

Use caution when working near roads or rail right of ways.

5 INSPECTION FREQUENCY

This inspection is to be conducted each calendar year not to exceed 15 months.

6 INSPECTION CRITERIA

1. All markers as shown on Form F-34 are to be examined and replaced if they are found to be in a deteriorated state.
2. In addition to the markers shown on Form F-34, if any new markers based on the following criteria need to be installed, then they are to be installed and the installation noted on Form F-34.

    a. Pipeline markers are to be placed at all railroad, road, irrigation, and drainage ditch crossings, and at all fence lines where a pipeline crosses private property, or where a pipeline or pipeline facility is exposed.

    b. For buried pipelines, pipeline markers must be placed approximately five hundred yards apart, if practical, and at points where the pipeline changes direction.

    c. On both sides of river crossings

    d. On both sides of river, creek, or irrigation canal crossings

    e. On both sides of railroad crossings.

    f. Where gas pipelines are attached to bridges or otherwise span an area, Pipeline markers must placed at both ends of the suspended pipeline.