



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

12300 W. Dakota Ave., Suite 110
Lakewood, CO 80228

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

December 21, 2009

Mr. Jeffrey D. Goltz
Chairman
Washington Utilities and Transportation Commission
1300 South Evergreen Park Drive SW
Olympia, WA 98502

Dear Mr. Goltz:

Between April 20, 2009 and April 24, 2009, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) evaluated the pipeline safety program that was administered by the Washington Utilities and Transportation Commission (WUTC) for calendar year 2008. During this on-site evaluation, my state liaison validated performance information submitted on your pipeline safety program as part of the Washington Utilities and Transportation Commission's Annual Certification under Section 60105(a), Title 49, United States Code. Thank you for the courtesies extended to him by your staff.

Based on both the evaluation and the validation of the Certification information, it appears that the Washington Utilities and Transportation Commission is generally complying with the Pipeline Safety Program requirements. I commend the WUTC for attaining a 98% score on your 2008 Hazardous Liquid State Program Evaluation and a 98% score on your 2008 Natural Gas State Program Evaluation. These high scores were attained even though this year's Federal evaluations were expanded to include more program assessment areas. Since PHMSA's potential contribution to your Pipeline Safety Program's funding was increased from 50 % to 80%, it was incumbent upon our agency to conduct a much more thorough evaluation than was performed during the previous years' evaluations. Nevertheless, Washington's Pipeline Safety Program scored very well.

As a result of our program review, I would like to also commend the Washington Utilities and Transportation Commission for strengthening its Pipeline Safety Program by selecting another strong program manager with the appropriate educational qualifications and pipeline experience. Strong personnel qualifications positively influence our pipeline safety evaluation and program funding. The additional expertise will be particularly important as the WUTC

continues support to PHMSA of its highly-technical Inspection Integration (II) program inspections and field Integrity Management Program (IMP) verifications of intrastate gas transmission pipelines in Washington. Your pipeline experts are well poised to begin conducting Distribution Integrity Management Program (DIMP) inspections per the new regulation issued on December 4, 2009.

In addition to each state's unique safety issues, I would ask you to join PHMSA in addressing the following nationwide pipeline safety priorities for 2010:

1. **New Construction**: PHMSA is providing increased oversight for projects under our immediate jurisdiction, and recommends the same to its many State partners facing the same challenge in 2010.
2. **Focusing Inspection Resources on Risk**: We have begun sharing pipeline operator information through a new online database system available to your State's pipeline safety managers and plan to continue to improve this interface to support Federal and State pipeline safety oversight. To make this effort the best it can be, and thereby provide value to you as key stakeholders, we need your help. In 2010 we are asking the States to continue to help assure the intrastate pipeline data submitted to PHMSA from operators under your jurisdiction is as accurate and complete as possible.
3. **Meeting Statutory Commitments**: On December 7, 2006, the U.S. Congress passed "The Pipeline Inspection, Protection, Enforcement, and Safety (PIPES) Act of 2006." The PIPES Act represents an important consensus for work that needed to improve pipeline safety across the Nation. PHMSA continues working diligently, with its State partners, to implement this important pipeline safety legislation and its many provisions directly affecting State programs. Some of these are:
 - a. **Improving Damage Prevention Efforts at the State Level**
 - b. **Distribution Integrity Management**
 - c. **Enhancing State Pipeline Safety Base Grant Program**: The criteria for evaluating State pipeline safety program performance in consideration of the increase in available grant funding for 2009 was revised at the end of 2008. Additionally, some informational questions are being added to the 2010 Certification regarding States' review of the 9-elements set out in the PIPES Act for improving damage prevention programs and their plan for moving forward to accomplish them. It is important for States not to wait until a question or points are assigned to the Program Evaluation or Certification to begin work on Federal/State program goals and initiatives for safety. Proactive State Programs are better positioned for assuring the safety of the nation's pipeline infrastructure. **This makes attendance at NAPSR meetings where these issues are discussed even more important.**
4. **Improving National Consensus Standards**: State and Federal participation in national consensus standards committees ensures the adequacy of technical standards frequently adopted by reference into State and Federal pipeline safety regulations. State pipeline safety inspectors have valuable technical expertise and experience necessary for making improvements to the standards and most importantly give a voice and emphasis to concerns for protecting the public. PHMSA supports state participation for members representing NAPSR in standards committees by paying all

travel cost for participating in committee meetings. We ask your continued support for contributing staff time to helping improve national consensus standards.

5. Improving Damage Prevention:

One Call Grant awards continue to assist state agencies in addressing damage prevention enforcement, training of locators and public awareness about 811 and the Common Ground Alliance best practices. In 2009, PHMSA provided this grant to thirty-five agencies who participate in the federal pipeline safety programs. A total of \$1,043,000 was distributed among the grantees. The application process is available in the fourth quarter of each year and submitted through FedSTAR which is our website for State Pipeline Safety Grant requests. I encourage the WUTC to continue to apply for these important grants.

6. Supporting Participation in NAPSRS: The role of NAPSRS in helping PHMSA ensure the adequacy and effectiveness of its regulatory and non-regulatory program direction cannot be overstated. With so many State partners to work with, PHMSA has clearly benefited – as have you – from the emergence of NAPSRS as a clear and strong advocate for pipeline safety. The long term success of NAPSRS, however, depends upon your support. State Commission support for participation of State personnel in NAPSRS activities is strongly encouraged and is essential to a strong Federal/State partnership in pipeline safety. Participation by your State representative in NAPSRS task groups addressing specific pipeline safety initiatives is especially important, as is attendance by your State pipeline safety program representatives at the yearly NAPSRS regional and national meetings. These meetings benefit your State by:

a. Providing all attendees the opportunity to participate in discussions about issues of national scope most relevant to the NAPSRS membership, including PHMSA plans and policies on grant funding for State programs, State program grant review audits, major pending or proposed rules, damage prevention efforts, and to get an early look into on-going and upcoming Federal initiatives.

b. Helping the attendees gain a better understanding of the Federal/State partnership and identify opportunities to become involved at various levels in projects important to the State.

c. Advocating issues that are critical to your State with other States – possibly with those facing similar circumstances, as well as with PHMSA. These discussions have frequently yielded innovative solutions to particular problems and, at a minimum, help you ensure your State makes informed decisions about any path you choose to take; and offering a chance to meet, both in professional and in social settings, with many of the State participant's peers from across the Country, outside the NAPSRS Region, who face similar challenges.

Thank you for allowing Ms. Anne Soiza and Mr. David Lykken to serve as active participants in the National Association of Pipeline Safety Representatives (NAPSRS). Ms. Soiza and Mr. Lykken are to be congratulated for their continuing strong efforts to promote pipeline safety in Washington.

Mr. David Lykken and his pipeline staff are assets to both the Washington and Federal Pipeline Safety Programs. Thank you for supporting Washington's Acting Pipeline Safety

Program Manager by allowing him to continue to train your pipeline engineers and inspectors. Your continuing interest and cooperation in the Pipeline Safety Program is highly valued. We thank you for your support.

Sincerely, *for*

Hay Van Nguyen

Chris Hoidal
Director, Western Region
Pipeline and Hazardous Materials Safety Administration

cc: Mr. David Lykken, Acting Pipeline Safety Program Manager, WUTC
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PHP-500 T. Finch