



STATE OF WASHINGTON
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION
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CERTIFIED MAIL

October 6, 2014

Eric Martuscelli
Vice President-Operations
Cascade Natural Gas Corporation
8113 W. Grandridge Blvd.
Kennewick, WA 99336

Dear Mr. Martuscelli:

RE: 2014 MAOP Exceedance and Unintentional Release of Gas at Regulator Station R-28, Wapato, WA – (Insp. No. 6089)

Staff from the Washington Utilities and Transportation Commission (staff) conducted an investigation into Cascade Natural Gas Corporation's (CNG), February 22, 2014, federally reportable incident at CNG pressure regulator station R-28 in Wapato, WA. The investigation included a review of the following records: PHMSA Form F7100.1, 30-day report to UTC, CNG Form 287A--maintenance records for R-28 for 2012 and 2013, Form 291 and 347 for this incident, pressure charts for R-28 and Sonoco Products, odorization test reports at locations in Wapato, Zillah and Toppenish, CNG responses regarding public awareness mailings and the inclusion zone around the pipeline used by CNG, local weather records from Yakima and Sunnyside, aerial maps provided by CNG, and CNG Company Procedures.

Our investigation indicates **two** probable violations as noted in the enclosed report.

Your response needed

Please review the attached report and respond in writing by November 7, 2014. The response should include how and when you plan to bring the probable violations into full compliance.

What happens after you respond to this letter?

The attached report presents staff's decision on probable violations and does not constitute a finding of violation by the commission at this time.

After you respond in writing to this letter, there are several possible actions the commission, in its discretion, may take with respect to this matter. For example, the commission may:

- Issue an administrative penalty under RCW 81.88.040, or



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- Institute a complaint, seeking monetary penalties, changes in the company's practices, or other relief authorized by law, and justified by the circumstances, or
- Consider the matter resolved without further commission action.

If you have any questions, or if we may be of any assistance, please contact Dennis Ritter at (360) 664-1159. Please refer to the subject matter described above in any future correspondence pertaining to this inspection.

Sincerely,



David D. Lykken
Pipeline Safety Director

Enclosure

cc: Steve Kessie, Director Operations Services, CNG
Jeremy Ogden, Director Engineering Services, CNG
Mike Eutsey, Manager Standards and Compliance, CNG
Kevin McCallum, Pipeline Safety Specialist, CNG

UTILITIES AND TRANSPORTATION COMMISSION
2014 MAOP Exceedance and Unintentional
Release of Gas at Regulator Station R-28, Wapato, WA

The following probable violations of Title 49 CFR Part 192 and WAC 480-93 were noted as a result of the investigation of the Cascade Natural Gas Corporation (CNG) February 22, 2014 incident at Regulator Station 28 (R-28). The investigation included a review of pertinent records regarding this incident and responses to information requests by the UTC from CNG.

PROBABLE VIOLATIONS

1. **WAC 480-93-200 Reporting Requirements.**

- (2) *Each gas pipeline company must give notice to the commission by telephone using the emergency notification line (see WAC 480-93-005(8)) within twenty-four hours of each incident or hazardous condition arising out of its operations that results in:*
- (a) *The uncontrolled release of gas for more than two hours;*
 - (b) *The taking of a high pressure supply or transmission pipeline or a major distribution supply gas pipeline out of service;*
 - (c) *A gas pipeline operating at low pressure dropping below the safe operating conditions of attached appliances and gas equipment; or*
 - (d) *A gas pipeline pressure exceeding the MAOP.*

Finding(s):

CNG did not notify the UTC within 24 hours as required by WAC 480-93(2)(d). CNG field personnel knew of the MAOP event on the day it occurred, February 22, 2014. However, the appropriate CNG personnel responsible for notifying the UTC found out 4 days later after reviewing the pressure chart from R-28 from the previous week. Then WUTC was notified. UTC believes, there should not have been a gap between the actual event and notification to UTC. CNG needs to explain how this type of occurrence will not happen in the future.

2. **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.*
- (2) *The manual must be filed with the commission forty-five days prior to the operation of any gas pipeline. Each gas pipeline company must file revisions to the manual with the commission annually. The commission may, after notice and opportunity for hearing, require that a manual be revised or amended. Applicable portions of the manual related to a procedure being performed on the pipeline must be retained on-site where the activity is being performed.*
- (3) *The manual must be written in detail sufficient for a person with adequate training to perform the tasks described. For example, a manual should contain*

specific, detailed, step-by-step instructions on how to maintain a regulator or rectifier, conduct a leak survey or conduct a pressure test.

Finding(s):

CNG did not follow their company procedures (CP) in investigating this incident as noted below:

CP 735.054

In the event a pressure chart indicates the pressure in the system exceeded (by any increment) the MAOP of the system, the District will take the following actions immediately:

- a. *Check the calibration of the chart and **note the actual system pressure and the corresponding chart reading on the back of the chart.***
- b. *Review other charts that are reading the same system.*
- c. ***Notify the Safety and Engineering Department of the chart reading and actual system pressure.***
- d. *Re-calibrate the pressure chart if required.*
- e. *If actual system pressure exceeded MAOP, perform regulator maintenance (per CP 745) on each station that feeds gas to the system. Maximum regulator lockup pressures are listed in the file: S:\System Design Data\Reg Set Points.xls. Ensure the regulators are set to lock up at or below the pressures listed.*

CP 735.055

If actual system pressure exceeded MAOP, Safety and Engineering shall take appropriate action in reporting the event to the UTC or OPUC per CP 720 and CP 780.

CP 735.056

Any abnormality which is observed on the chart – whether due to unusual change in pressure, clock operation, outside influences, etc. is to be noted and explained on the chart.

CNG did not note the actual system pressure and corresponding chart reading recorded on the back of the chart per CP 735.054(a).

CNG did have another pressure recording chart in this system located at Sonoco Products, 31 Industrial Park Rd, Wapato, WA. This chart recorded system pressure at 62 psi. R-28 recorded 64 psi. There is a 2 lb difference in between the two chart recorders for the same system. The charts (Sonoco and R-28) do not have any explanation as to the abnormalities (exceedance of MAOP) as required by CP 735.056.

Additionally, CP 735.054 (c) requires notification to CNG's Safety and Engineering Department. It appears that this did not occur and that UTC did not get notified per CP 735.055. Although subpart (c) does not specify when to notify Safety and Engineering, given the reporting requirements to UTC for exceedance of MAOP are either 2 hours or 24 hours, that would suggest an immediate notification to be able to comply with the WAC. However, UTC did not receive notification until 4 days after the incident occurred.