

**CERTIFIED MAIL**

November 30, 2004

Will Odell  
Chief Operating Officer  
Cascade Natural Gas Corporation  
222 Fairview Avenue North  
Seattle, Washington 98109

Dear Mr. Odell:

**Subject: 2004 Natural Gas Safety Inspection, CNG - Aberdeen District**

From October 4 through October 8, 2004, Commission pipeline safety staff (Staff) conducted a pipeline safety inspection of Cascade Natural Gas Corporation's (CNG) natural gas facilities and operations in the Aberdeen District. Enclosed is Staff's report showing the results of the inspection including two probable violations and five areas of concern or recommendations, which, if not addressed could result in violations of state and federal pipeline safety codes.

The foregoing findings of probable violations constitute Staff's position at this time, based on its investigation. These findings of probable violations do not constitute Commission findings of violations.

There are several possible actions the Commission, in its discretion, may take with respect to this matter. For example, the Commission may consider the matter resolved without further Commission action. Or, the Commission may issue an administrative penalty under RCW 80.04.405. Or, the Commission may institute a complaint, seeking monetary penalties, changes in the company's practices, or other relief authorized by law, and justified by the circumstances. This list of possible actions is not intended to

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be exhaustive, but it is intended to give the normal range of actions the Commission typically considers.

Regardless what actions the Commission decides to take, if any, the company will have the opportunity to present its position on the merits of the matters involved. As of this date, the Commission has made no decision regarding what appropriate action it will take in this matter.

Please review the attached report and respond in writing by January 3, 2004. The response should include a letter of intent and the date you plan to provide full compliance. Staff is also requesting that CNG respond to the areas of concern or recommendation in writing. If you have any questions or if staff may be of any assistance, please contact Scott Rukke at (360) 664-1241.

Sincerely,

Alan E. Rathbun  
Pipeline Safety Director

Enclosure

cc. Sam Hicks, CNG

*The Washington Utilities and Transportation Commission (Commission) has the authority to enforce the minimum safety regulations per Chapter 480-93 of the Washington Administrative Code (WAC) pertaining to the construction, maintenance and operation of pipelines transporting natural gas in the state of Washington. In addition, the Commission adopts the Code of Federal Regulations (CFR) Title 49, Part 191 and 192.*

**WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**  
**2004 Natural Gas Standard Inspection Report**  
**Cascade Natural Gas Corporation**  
**Docket PG-040311 Aberdeen District**

**VIOLATION REPORT**

**1. Part 192.465(b)**

*Each cathodic protection rectifier or other impressed current power source must be inspected six times each calendar year, but with intervals not exceeding 2 1/2 months, to insure that it is operating.*

**Findings:**

CNG provided records indicating that rectifier inspections were conducted on February 5, 2003, and again on April 25, 2003. This inspection frequency exceeded the maximum interval by approximately 5 days. Records also indicated that rectifier inspections were conducted on January 29, 2004, and again on April 28, 2004. This inspection frequency exceeded the maximum interval by approximately 14 days.

**2. Part 192.741(c)**

*If there are indications of abnormally high or low-pressure, the regulator and the auxiliary equipment must be inspected and the necessary measures employed to correct any unsatisfactory operating conditions.*

**Findings:**

CNG provided records indicating that system pressures downstream from regulator R-15 in Shelton exceeded the established maximum allowable operating pressure (MAOP) of 125 psig approximately 28 times between March 2003 and June 2004. CNG records also indicated differing MAOP's for this system. No follow up equipment inspections were conducted for any of the over-pressure conditions because personnel were unaware of the correct MAOP.

**Note:** This area of non-compliance is being addressed in docket PG-030438.

**AREAS OF CONCERN/RECOMMENDATIONS**

1. Cascade procedure #756 requires that leak detection instrument calibration be recorded on CNG's System Surveillance Record form no. 286. Records indicate that CNG's Aberdeen district was not recording this information as required by Cascade procedure #756.

2. Cascade procedure #715 requires quarterly patrols to be conducted at a frequency not to exceed three months. CNG patrol records indicate that between November 2002, and October 2004, patrols exceeded the three month timeframe five times.
3. CFR Part 192.751(c) requires, where appropriate, the use of warning signs when gas is present. CNG does not have a procedure that addresses this requirement and has not provided appropriate personnel or vehicles with the necessary signs.
4. CNG should add a calibration schedule to their procedures manual for pyrometers, half cells and other equipment, which, if out of tolerances could affect the results of surveys and/or the monitoring of the pipeline system(s).
5. Cascade procedure #747 requires monthly odorization monitoring. Records indicate that no odorization monitoring was conducted for the months of November 2002 or October 2003.