

Ref. No. Docket PG-041532

CERTIFIED MAIL

December 2, 2003

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 – Bremerton District

From October 26 through October 29, 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 Bremerton District. Enclosed is Staff's report showing no areas of non-compliance with state or federal pipeline safety codes. The report does note four areas of concern or recommendation which if not addressed could result in non-compliance with state or federal pipeline safety codes.

It is not to be assumed that this inspection detected all areas of non-compliance. It is incumbent upon CNG to review their operation and determine whether there are other areas of non-compliance.

Please review the attached report and respond in writing by January 4, 2005. If you have any questions or if staff may be of any assistance, please contact Scott Rukke at (360) 664-1241.

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Thank you for your cooperation and interest in pipeline safety.

Sincerely,

Alan Rathbun, P.E.

Pipeline Safety Director

Enclosure

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-041532 Bremerton District

AREAS OF CONCERN/RECOMMENDATION

1. Records indicate that the casing at Hwy SR-308 & Tag Holm Rd was not checked for electrical isolation during the most recent survey conducted on May 26, 2004, due to the vent pipe being pulled out of the ground. CNG should have some method or procedure to verify electrical isolation where casing contact points are removed.
2. CP 715.012 requires that patrols be conducted at a maximum interval of 3 months. This timeframe was frequently exceeded. CNG should revise their CP to allow a grace period consistent with the federal patrol timeframes.
3. CNG should revise CP 754.061 to ensure that surveys will be done at least once each third calendar year not to exceed 39 months.
4. Staff requested that CNG personnel remove the support straps at regulator R-26 in Bremerton to check for corrosion. The straps were removed and surface rust with minor corrosion was evident. CNG does not have an atmospheric corrosion survey requirement that requires the removal of pipeline support straps to inspect for corrosion. CNG should revise their procedures manual to require the removal of support straps for inspection at a frequency that meets the timeframe required by the CFR, Part 192.481.