VIA CERTIFIED MAIL

March 19, 2004

Will O’Dell
Vice President Operations
Cascade Natural Gas Corporation
222 Fairview Ave North
PO Box 24464
Seattle, Washington 98124

Dear Mr. O’Dell:

Subject: 2003 Natural Gas Standard Inspection for Longview and Yakima Districts

Commission Pipeline Safety staff (Staff) conducted a pipeline safety inspection from November 17-19, 2003, of the Cascade Natural Gas (CNG) facilities in the Longview district. The Yakima district was inspected from December 15-18, 2003. Enclosed is Staff’s report showing the results of the Longview inspection including three items of concern. There were no violations or items of concern associated with the Yakima district inspection.

It is not to be assumed that this inspection detected all apparent code violations at this time. It is incumbent upon CNG to review all of its facilities and operations to determine compliance with Commission laws and rules.

Please review the attached report and respond in writing by April 21, 2004. The response should include a letter of intent and the date you plan to address the items of concern.
Cascade Natural Gas Corp.
PG-031597 Longview District
PG-031598 Yakima District
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If you have any questions or if Staff may be of any assistance, please contact Joe Subsits at (360) 664-1322. Please refer to docket numbers PG-031597 for Longview District, and PG-031598 for Yakima District in any future correspondence regarding this report.

Thank you for your cooperation and interest in pipeline safety.

Sincerely,

Alan E. Rathbun
Pipeline Safety Director

Enclosures

The Washington Utilities and Transportation Commission (Commission) has the authority to enforce 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 192.
ITEMS OF CONCERN

An on-site inspection was conducted on November 17 through 19, 2003, for the Longview District. The following items of concern were noted as a result of the inspection:

1. **49 CFR 192.475 Internal Corrosion Control: General**

   *(b)* Whenever any pipe is removed from a pipeline for any reason, the internal surface must be inspected for evidence of corrosion.

   **Finding:**

   The Cascade substructure damage/leak report form is used to document compliance with this requirement. Documentation consists of a section that requires that the pipe condition be checked as good, fair, or poor. It was evident that there were inconsistencies in how this section was used by the operators. The reason a pipe would be considered poor was not clear by the form(s). There was no clear documentation proving that the inside of removed pipe was inspected. Also, it may be beneficial to train the operators regarding the intent of the documentation to ensure that rule requirements are being met.

2. **49 CFR 192.491 Corrosion Control Records**

   *(c)* Each operator shall maintain a record of each test, survey, or inspection required by this subpart in sufficient detail to demonstrate the adequacy of corrosion control measures or that a corrosive condition does not exist.

   **Finding:**

   There was no clear documentation showing that aboveground components are checked for atmospheric corrosion as required in 49 CFR 192.481 Atmospheric Corrosion Control: Monitoring. This requirement is currently addressed by only
documenting problems found. This does not prove that aboveground piping was inspected within the required three-year interval.

3. **49 CFR 192.463 External Corrosion Control: Cathodic Protection**

(a) Each cathodic protection system required by this subpart must provide a level of cathodic protection that complies with one or more of the applicable criteria contained in appendix D of this part.

**Finding:**

On November 19, 2003, pipe-to-soil readings read at Valve-52 were –0.81 V and –0.84 V at R39. On 1/23/2004, pipe-to-soil readings were –0.86 V at Valve 52. It is our understanding that a new anode bed is to be installed.