

Ref. No. Docket PG-041635

VIA CERTIFIED MAIL

December 23, 2004

Howard Bafford
Vice President/Chief Operating Officer
Ochoa AG Unlimited Foods
910 Main Street, Suite 248
Boise, ID 83702

Dear Mr. Bafford:

Subject: 2004 Intrastate Natural Gas Transmission Standard Inspection

On November 16 and 17, 2004, Commission Pipeline Safety staff (Staff) met with Cascade Natural Gas (CNG) to conduct a pipeline safety inspection of Ochoa Foods 6-inch natural gas pipeline facility located in Warden, Washington. CNG became Ochoa's natural gas pipeline operator in 2002.

Enclosed is Staff's report showing no areas of non-compliance with state or federal pipeline safety codes. The report does note eight areas of concern or recommendation which if not addressed could result in non-compliance with state or federal pipeline safety codes.

It is incumbent upon Cascade Natural Gas to review the operation and maintenance of Ochoa's pipeline to determine whether there are any areas of non-compliance.

Please review the attached report and respond in writing by January 24, 2004. The response should include a letter of intent and the date you plan to address the areas of concern.

Ochoa AG Unlimited Foods
Docket No. PG-041635
December 23, 2004
Page 2

Staff would like to thank CNG personnel for their cooperation during the inspection. If you have any questions or need any assistance, please contact Scott Rukke, Pipeline Safety Engineer at (360) 664-1241. Please refer to docket numbers PG- 041635 in any future correspondence regarding this report.

Thank you for your cooperation and interest in pipeline safety.

Sincerely,

Alan E. Rathbun
Pipeline Safety Director

cc. Keith Meissner, CNG
Sam Grant, CNG - Moses Lake General Manager

Enclosure (1)

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
Ochoa AG Unlimited Foods
Docket PG-041635

AREAS OF CONCERN/RECOMMENDATION

1. WAC 480-93-183(5) requires Commission notification anytime a pipeline operating in excess of 250 psig is taken out of service for any reason. CNG was unable to provide Staff with a procedure referencing this requirement. CNG should review their procedures manual and add this requirement as necessary.
2. CNG should revise CP 780 to include the required due date of March 15 for the submittal of the required annual reports.
3. CNG should review CP 780.021 and revise as necessary to reflect the proper RSPA forms F-7100.1-1 and F-7100.2-1. Currently CNG CP 780.021 lists the forms as F-1700.1-1 and F-1700.2-2.
4. CNG CP 716.021 requires leak surveys on transmission lines to be conducted 2 times per year. CNG is not meeting this requirement. CNG is meeting the frequency of one time per year not to exceed 15 months as outlined in the CFR. CNG should review CP 716.021 and revise their procedures manual as necessary.
5. CP 610.021(d) requires that pipeline markers be placed every 50 yards. This appears to be a typographical error. CNG should review CP 610.021(d) and revise their procedures manual as necessary.
6. CFR Part 192.709 requires records relating to the CFR Subparts L and M to be kept for a minimum of 5 years. CNG CP 5, form numbers 286 and 287 only require a 3-year retention period. This timeframe appears to conflict with the minimum retention period dictated in the CFR. CNG should review their procedures manual and revise their record keeping requirements as necessary.
7. CNG CP 765.011 uses 2-inches as the length of a crack that determines when a weld is defective. Staff is requesting CNG to provide to the Commission the standard or code that this length is based on. CNG should review their weld repair requirements and revise their procedures manual as necessary.

8. CNG CP 766 has a list of Transmission facilities that differs from CP 640. CNG should review their Transmission facilities and revise the lists in their procedures manual as necessary.