

August 16, 2004

Bobby Talley
District Manager
Ferndale Pipeline system
2201 Lind Avenue SW, Suite # 270
Renton, Washington 98055

Dear Mr. Talley:

Subject: 2004 Natural Gas Pipeline Safety Inspection

On July 20 and 21, 2004, Commission staff (Staff) met with Mr. Pete Romero, representing the Ferndale Pipeline system to conduct a safety inspection of the 16-inch natural gas pipeline facilities from Sumas to Cherry Point and the 8-inch natural gas pipeline facilities from Cherry Point to Intalco. During this inspection, Staff found no violations of state or federal pipeline safety regulations.

Enclosed with this letter is Staff's report that summarizes the results of the inspection. The report lists one area of concern to improve public safety and compliance with the regulations.

It should not be assumed that this inspection detected all violations of the regulations at this time. It is incumbent upon the operator to review its operation to determine whether or not there are other areas of violation.

Staff would like to take this opportunity to thank Mr. Pete Romero for his willingness to provide assistance in completing this inspection.

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Docket No. PG-040770

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If you have any questions or if Staff may be of any assistance, please contact Kuang Chu, Pipeline Safety Engineer at (360) 664-1182.

Thank you for your cooperation and interest in pipeline safety.

Sincerely,

Alan E. Rathbun

Pipeline Safety Director

cc: Pete Romero

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 Pipeline Safety Standard Inspection Report
Ferndale Pipeline System
Docket No. PG-040770

AREAS OF CONCERN

1. **§192.605 (a) Procedural Manual for Operations, Maintenance, and Emergencies.**

General. Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response. For transmission lines, the manual must also include procedures for handling abnormal operations. This manual must be reviewed and updated by the operator at intervals not exceeding 15 months, but at least one each calendar year. This manual must be prepared before operations of a pipeline system commence. Appropriate parts of the manual must be kept at locations where operations and maintenance activities are conducted.

- i) BP Olympic Operations & Maintenance (O&M) Manual Section 192.442 should be revised to include a link to OQ for Common Ground (CG)-Best Practice, which requires an operator's damage prevention program to include actions to protect their facilities when directional drilling or boring operations are conducted in proximity to the facilities.

- ii) BP Olympic Emergency Response Field Document should be revised to include the following provisions:
 - Explosion occurring near or directly involving a pipeline facility. (§192.615(a)(3)(iii))
 - Natural disaster. (§192.615(a)(3)(iv))
 - The availability of personnel, equipment, tools, and materials, as needed at the scene of an emergency. (§192.615(a)(4))
 - Notifying appropriate fire, police, and other public officials of gas pipeline emergencies and coordinating with them both planned responses and actual responses during an emergency. (§192.615(a)(8))

- iii) BP Olympic O&M Manual Section 192.706 gas leak investigation should be revised to include the requirements of WAC 480-93-185 that states...
“The gas company employee shall provide the adult person occupying the premises an odor sniff card which identifies the odor of natural gas and indicates the name, address, and telephone number of the gas company representative to be contacted if the leak indications are again noticed. If the property owner or an adult person occupying the premises is not available, the gas company shall, within twenty-four hours of the leak notification, send by first-class mail addressed to the person occupying the premises, a letter explaining the results of the investigation.”

- iv) BP Olympic O&M Manual Section 192.614 line marker procedures should be revised to include the requirements of WAC 480-93-124 that states...
“Pipeline markers required by 49 CFR, Part 192.707(a), shall be placed approximately five hundred yards apart if practical and at points of deflection of the pipeline.”

- v) BP Olympic O&M Manual Section 192.225 should be revised to refer to the 19th edition of API-1104 for welding procedures.