

STATE OF WASHINGTON

UTILITIES AND TRANSPORTATION COMMISSION

1300 S. Evergreen Park Dr. S.W., P.O. Box 47250 • Olympia, Washington 98504-7250

(360) 664-1160 • TTY (360) 586-8203

CERTIFIED MAIL

June 6, 2017

Grant M. Yoshihara Vice President of Utility Operations Northwest Natural Gas Company 220 NW Second Avenue Portland, OR 97209

Dear Mr. Yoshihara:

RE: 2017 Natural Gas Standard Inspection - Northwest Natural Gas Company Transmission Unit (Insp. No. 7240)

Staff from the Washington Utilities and Transportation Commission (staff) conducted a standard inspection from April 27 to May 11, of Northwest Natural Gas Company (NWN), Transmission Unit. The inspection included a records review and inspection of the pipeline facilities.

Our inspection indicates one area of concern as noted in the enclosed report, which unless corrected, could potentially lead to future violation of state and/or federal pipeline safety rules.

Your response needed

Please review the attached report and respond in writing by July 10. The response should include how and when you plan to bring the area of concern into full compliance.

What happens after you respond to this letter?

The attached report presents staff's decision on the area of concern and does not constitute a finding of probable violation by the staff at this time if the issue is resolved within 90 days of discovery.

If this issue is not resolved within 90 days, this matter may result in the issuance of a notice of probable violation.

If you have any questions or if we may be of any assistance, please contact Derek Norwood at (360) 664-1296. Please refer to the subject matter described above in any future correspondence pertaining to this inspection.

Respect. Professionalism. Integrity. Accountability.

Northwest Natural Gas Company 2017 Standard Inspection – Transmission Unit June 6, 2017 Page 2

Sincerely,

Sean C. Mayo Pipeline Safety Director

Enclosure

cc: Joe S. Karney, P.E., Sr. Manager, Code Compliance, NWN

UTILITIES AND TRANSPORTATION COMMISSION 2017 Natural Gas Pipeline Safety Inspection Northwest Natural Gas Company – Transmission Unit

The following areas of concern of Title 49 CFR Part 192 were noted as a result of the 2017 standard inspection of the Northwest Natural Gas Company (NWN) - Transmission Unit. The inspection included a random selection of records, operation and maintenance (O&M), emergency response, inventory, and field inspection of the pipeline facilities.

AREA OF CONCERN

1. <u>49 CFR §192.3 Definitions</u>

Transmission line means a pipeline, other than a gathering line, that: (1) Transports gas from a gathering line or storage facility to a distribution center, storage facility, or large volume customer that is not down-stream from a distribution center; (2) operates at a hoop stress of 20 percent or more of SMYS; or (3) transports gas within a storage field.

Finding(s):

There are two segments of pipe which staff believe should be classified as Transmission lines in accordance with Title 49 CFR § 192.3.

The first segment believed to be a transmission line is at the Hood River Meter Station in White Salmon, Washington. The pipeline transports gas from the Northwest Pipeline LLC (Williams) transmission line to Williams' transmission line which crosses the Columbia River. This pipeline should be classified as transmission because it is transporting gas from a storage facility to a storage facility. This pipeline should also be classified as an interstate pipeline because it receives and continues interstate transportation of gas between Washington and Oregon.

The second segment believed to be a transmission line is the segment that crosses Lacamas Lake in Camas, Washington. Although the segment is not operating at a hoop stress of 20 percent or more of SMYS, it is used to continue transportation of gas from a NWN transmission line and deliver to a NWN transmission line, eventually feeding a NWN distribution center. NWN classifies this line as high pressure distribution due to hoop stress of less than 20 percent of SMYS, but does not consider the functional definition of transmission line, which defines a transmission line as a line that transports gas from a storage facility to a gas distribution center. This line segment accepts and delivers gas to a transmission line. Functionally, this segment acts like (and is) a transmission line.