



U.S. Department
of Transportation

Pipeline and Hazardous Materials
Safety Administration

1200 New Jersey Avenue SE
Washington DC 20590

OCT 04 2018

Mr. Sean C. Mayo
Pipeline Safety Director
Washington Utilities and
Transportation Commission
1300 S. Evergreen Part Drive, S.W.,
P.O. Box 47250
Olympia Washington 98504-7250

Dear Mr. Mayo:

In a July 31, 2018, letter to the Pipeline and Hazardous Materials Safety Administration (PHMSA), you requested an interpretation of 49 CFR Part 191. Specifically, you requested an interpretation of the definition of "incident" as defined under § 191.3.

You stated a local distribution company (LDC), in Washington State, received call for a natural gas leak and dispatched its employees to investigate the source of the leak. Over a period of 4 days, the LDC employees made several excavations, found gas migrating through underground drain piping, and finally managed to pinpoint and isolate a segment of 2-inch steel main that stopped the flow of the natural gas. You stated then the LDC replaced the leaking segment of main. You asked whether the leak repair, which cost the operator more than \$50,000, would meet the definition of an "incident" under § 191.3?

You provided two attachments that show the operator's 30-day follow-up letter to the Commission and the operator's total cost for responding, investigating, repairing and replacing the leaking pipeline including right of way restoration and overhead. One of the attachments shows that the operator believes the \$50,000 in property damage must be a direct result of a gas pipeline failure (event) to be a reportable incident to PHMSA, but not the cost to repair the pipeline. Therefore, the operator does not believe this situation requires an incident report to PHMSA.

Under § 191.3, the definition of incident states, in relevant part:

Incident means

(ii) Estimated property damage of \$50,000 or more, including loss to the operator and others, or both, but excluding cost of gas lost;

The Pipeline and Hazardous Materials Safety Administration, Office of Pipeline Safety provides written clarifications of the Regulations (49 CFR Parts 190-199) in the form of interpretation letters. These letters reflect the agency's current application of the regulations to the specific facts presented by the person requesting the clarification. Interpretations do not create legally-enforceable rights or obligations and are provided to help the public understand how to comply with the regulations.

Here, the operator incurred costs of \$72,986.99, including labor, equipment, and materials but not the cost of gas lost, in responding to and repairing the gas leak. The \$72,986.99 cost of the repair is a loss to the operator attributable to the pipeline gas leak. Accordingly, the incident is a reportable incident under § 191.3.

If we can be of further assistance, please contact Tewabe Asebe at 202-366-5523.

Sincerely,



John A. Gale
Director, Office of Standards
and Rulemaking



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

July 31, 2018

John A. Gale
Director of Standards and Rulemaking
Office of Pipeline Safety
Room 24-310
1200 New Jersey Ave, SE
Washington DC 20590

RE: Request for Interpretation of "Incident" as defined in §191.3

Dear Mr. Gale:

We are requesting an interpretation as to whether the following odor response and leak repair on a natural gas distribution pipeline would meet the definition of an "Incident" under CFR § 191.3 since it involved the release of gas from a pipeline and the total cost to the operator was \$72,986.99:

A Local Distribution Company (LDC) in Washington State received an odor call and immediately dispatched a technician to investigate the source. Over a period of 4 days the LDC employees made several excavations, found gas migrating through underground drain piping, and finally managed to pinpoint and isolate a segment of 2-inch steel main which stopped the flow of gas. The leaking segment of main was then replaced.

Our question to you is whether the above detailed leak repair which involved the release of gas from a pipeline and the cost to the operator exceeded \$50,000 would meet the definition of an "Incident" under CFR § 191.3?

Included for your review are Attachment A which details the incident in the LDC's 30 day follow-up letter to the Washington Utilities and Transportation Commission and Attachment B which details the total cost of responding, investigating, repairing and replacing the leaking pipeline including right of way restoration and overhead.

If you have any questions or if we can provide further clarification or details, please contact Scott Rukke at (360) 664-1241 or Joe Subsits at (360) 664-1322.

Sincerely,

Sean C. Mayo
Pipeline Safety Director

cc: Kim West, Director, Western Region, PHMSA
Enclosures

Incident or Hazardous Condition Report

Incident Type	Evacuation of a Building or HOS/A						
Address	221 N 16th Avenue, Yakima, WA 98902						
District	Yakima	City	Yakima	County	Yakima	State	WA
Names(s) and address(es) of any person or persons injured or killed, or whose property was damaged (if applicable): N/A							
Description of the extent of the injuries or property damage (if applicable): N/A							
Description of the incident or hazardous condition including the date, time, place and reason why the incident or hazardous condition occurred: Outside odor call came in at 3:21, 1/18/17 for 1610 Monroe Ave; area around meter, foundation and service line probed and no gas leaks found. The service next door at 1608 Monroe Ave was also probed and no gas leaks found. Upon further investigation an odor was detected at a dead tree stump (12' tall, 5' thick) 75' from nearest gas service. The leak was graded #2 leak. On 1/19/17 all services on Monroe Ave from N 16 th to end, N 18 th Ave from Browne Ave to Monroe Ave and N 16 th Ave from Monroe Ave to Folsom Ave were surveyed, probed and foundations checked and manholes were checked. Elevated readings were found on N16th Ave and the main was dug up and checked, no leaks were found. 1/20/17 at approx. 11:00 am the base of the tree stump at 1610 Monroe Ave was dug up and a 6" concrete irrigation line was found with a crack at the bell that was leaking natural gas. The irrigation pipe was opened up to determine the direction of the flow of gas; it was determined that it was flow from the east towards N 16 th Ave. The irrigation line was checked downstream at 3 new locations and checked for flow. A second location on N 16th Ave was opened up and no gas leaks were found. It was determined that the flow was coming from Folsom Ave and the main on Folsom was probed and check for gas presents. Allocation of elevated gas readings was excavated (corner of N 16 th & Folsom – 221 N 16 th Ave) and no gas leaks were found at the main. The main from the corner of Folsom and N 16 th to the main on the far side of N 16 th was probed and elevated gas readings were found. When excavating the 2" steel main at Folsom across N 16 th a leak was found at 9:00 am on 1/21/17 in the middle of N 16 th Ave and Folsom Ave; both are fed from 2 directions a 2 stops were installed on N 16 th Ave and 1 stop on Folsom Ave. This stopped the leak from the 2" steel main in N 16 th and stopped the flow of gas in the irrigation line at approx. 3:12 pm on 1/21/17. The gas flow was restored approx. 8:30 pm on 1/21/17. All work was completed and the road temporarily repaired at 4:00 am on 1/22/17.							
The time and date CNGC was first notified of the incident or hazardous condition:				3:21 pm	1/18/2017		
The time and date CNGC first responders arrived on site:				3:40 pm	1/18/2017		
The time and date the gas pipeline was made safe:				3:12 pm	1/21/2017		
The date, time and type of any temporary repair that was made (if applicable): N/A							
The date, time and type of any permanent repair that was made: After placing stops at 3 different locations (2 on N 16 th Ave and 1 on Folsom Ave), the gas flow was stopped on 1/21/2017 at 3:12 pm, 30' of 2" steel main was removed and replaced and gas flow restored at 8:30 pm on 1/21/2017.							
Description of the gas pipeline involved in the incident or hazardous condition: STEEL <input checked="" type="checkbox"/> or PE <input type="checkbox"/> MAIN <input checked="" type="checkbox"/> or SERVICE <input type="checkbox"/> PIPE DIAMETER: 2"							
System Operating Pressure (psig)		54#		MAOP (psig)		60#	
The approximate cost of the incident or hazardous condition to CNGC:				\$ 60,868.00			



Attachment B

8113 W. GRANDRIDGE BLVD., KENNEWICK, WASHINGTON 99336-7166
TELEPHONE 509-734-4500 FACSIMILE 509-737-9803
www.cngc.com

March 02, 2018

Sean Mayo- Pipeline Safety Director
State of Washington Utilities and Transportation Commission
1300 S. Evergreen Park Dr. SW
P.O. Box 47250
Olympia, WA 98504-7250

Subject: Line item costs for state reportable at 221 N. 16th Ave., Yakima, WA on 01/21/17

Dear Mr. Mayo,

The Washington Utilities and Transportation Commission (WUTC) has requested a line by line cost breakdown for the state reportable at 221 N. 16th Ave., Yakima, WA on 01/21/17. With this request, the WUTC would like Cascade Natural Gas Corporation (CNGC) to identify values associated with property damage and pipeline maintenance costs.

The following table categorizes the costs associated with the state reportable:

Category	Description	Amount
Labor and Labor Related Total	Standard and overtime pay	\$32,988.46
Contractor Costs Total	Sand, gravel, asphalt cutting and flagging	\$18,000.10
Materials and Purchases Total	Pipe, fittings and tools	\$1,161.37
Auto & Work Equipment Total	Company vehicles and equipment	\$3,171.73
Other Reimbursable Costs Total	Hotel for resident, food and water for CNGC crews	\$456.62
Permit Total	Permit for work	\$1,909.60
ES&GA Overhead Total	Administrative processes, material stocking, etc.	\$15,299.11
Property Damage Total	Damage or Loss as a direct result of a gas pipeline failure	\$0.00
Grand Total		\$72,986.99

As it pertains to these circumstances, PHMSA defines a reportable incident as an event that involves a release of gas from a pipeline and that results in estimated property damage of \$50,000 or more. CNGC has performed an extensive review of applicable regulation, interpretation, and rulemaking and we are confident in our interpretation that the \$50,000 in property damage must be a direct result of a gas pipeline failure (event) to be a reportable incident to PHMSA. As such, CNGC does not believe a reportable incident to PHMSA was observed. CNGC appreciates the dialog with the WUTC as it pertains to this matter and the opportunity to more clearly understand the nuances of the property damage reporting requirements. We hope that this information sufficiently addresses the WUTC's concerns; however, if additional information or explanation is needed, please feel free to reach out to me directly at (541) 706-6292.

Respectfully Submitted,

Chris Grissom
Manager, Standards and Compliance
Cascade Natural Gas Corporation