



U.S. Department
of Transportation

**Pipeline and Hazardous
Materials Safety
Administration**

1200 New Jersey Avenue, SE
Washington, D.C. 20590

SEP 27 2010

Mr. Michael Thompson
Chief, Pipeline Safety
Oregon Public Utility Commission
550 Capitol Street, NE, Suite 215
Salem, Oregon 97308

Dear Mr. Thompson:

Pursuant to 49 USC § 60118(d) the Pipeline and Hazardous Materials Safety Administration (PHMSA) reviewed your letter of August 6, 2010, wherein you gave us notice that the Oregon Public Utility Commission (PUC) is granting a request to Avista Utilities of Spokane, Washington, to waive a portion of the requirements found in the company's operations and maintenance (O&M) manual and 49 CFR § 192.481(a). This request is specific to the inspection of each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion at least once every 3 calendar years, but with intervals not exceeding 39 months.

Later, your office clarified that the 5-month extension to complete the survey would only apply to the timing of Avista's current surveys and does not effectively restart the clock for future surveys. As such, we understand that your waiver is temporary in nature and that Avista would be required to complete the next surveys in accordance with the timing requirements set out in 49 CFR § 192.481(a), or at least once every three (3) calendar years, but with intervals not exceeding 39 months, after the survey was set to be completed. Providing that the waiver is indeed temporary in nature, PHMSA does not object to the Oregon PUC waiver of 49 CFR § 192.481(a).

If you wish to discuss this waiver or any other pipeline safety matter, my staff would be pleased to assist you. Please call John Gale, Director of Regulations (202-366-0434), for regulatory matters or Jeffery Gilliam, Director of Engineering (202-603-1550), on technical matters specific to this special permit decision.

Sincerely,

Jeffrey D. Wiese
Associate Administrator for Pipeline Safety



Oregon

Theodore R. Kulongoski, Governor

Public Utility Commission

550 Capitol St NE, Suite 215

Mailing Address: PO Box 2148

Salem, OR 97308-2148

August 6, 2010

AUG 11 2010

Jeffrey D. Wiese
Associate Administrator, Office of Pipeline Safety
1200 New Jersey Avenue, SE, Room E22-330
Washington, DC 20590

Re: Waiver Request – Atmospheric Corrosion Control: Monitoring

Mr. Wiese,

Attached please find a copy of a waiver request submitted by Avista Utilities of Spokane, WA seeking approval to waive a portion of the requirements found in the company's operations and maintenance (O&M) manual and CFR title 49, part 192.481(a) relative to the inspect of each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion at least once every 3 calendar years, but with intervals not exceeding 39 months.

The Gas Safety Section of the Oregon Public Utility Commission, (OPUC) has reviewed this request and decided to fully support and grant this request for waiver as to the extension of the required time for inspection of each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion at least once every 3 calendar years, but with intervals not exceeding 39 months. "Please see our attached letter of support dated August 6, 2010" (Attached) It is our opinion that allowing this extension will insure adequate time to conduct a valid and thorough inspection of all exposed facilities and meets the spirit of the code providing the best possible safety for Avista Utilities employees, its customers and the general public.

Please feel free to contact me if you or your staff has any questions.

Sincerely,

Michael Thompson
Chief, Pipeline Safety
Oregon Public Utility Commission
550 Capitol Street NE, Suite 215
Salem, Oregon 97308
503-378-6760
Michael.thompson@state.or.us



Oregon

Theodore R. Kulongoski, Governor

Public Utility Commission

550 Capitol St NE, Suite 215

Mailing Address: PO Box 2148

Salem, OR 97308-2148

August 6, 2010

Ms. Jody Morehouse, P.E.
Chief Gas Engineer
Avista Utilities
1411 East Mission
Spokane, WA 99220-3727

Re: Waiver Request – Atmospheric Corrosion Control: Monitoring

Dear Ms. Morehouse,

Avista has requested a waiver of a portion of the requirements found in the company's operations and maintenance (O&M) manual and CFR title 49, part 192.481(a) relative to the inspection of each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion at least once every 3 calendar years, but with intervals not exceeding 39 months. The Gas Safety Section of the Oregon Public Utility Commission (OPUC), has decided to fully support and recommend to the Commissioners that they grant a waiver of 5 months to the required time intervals as found in part 192.481 (a) in order that a complete and full inspection of the company's pipeline facilities that are exposed to the atmosphere can be completed. It is our opinion that allowing this extension will insure adequate time to conduct a valid and thorough inspection of all the company's exposed facilities, meeting the spirit of the code as it pertains to public safety.

In addition, as we have discussed by telephone, we are recommending that the Commissioners impose the following conditions:

1. On or before the 31st of August 2010, Avista Utilities will provide the OPUC gas safety section with a list of the names of those who were retrained to complete the inspection and the dates of their training.
2. On or before the 31st of August 2010, Avista Utilities will provide the OPUC gas safety section with a company procedure for the inspection of exposed pipeline facilities as was used in the training of the contract personnel.
3. On or before the 31st of August 2010, Avista Utilities will provide the OPUC gas safety section with a summary of the areas where the inspections are scheduled to take place.
4. Avista Utilities will provide the OPUC gas safety section, through the Chief, Pipeline Safety monthly updates on the status of this process until completion.

5. Upon completion of this inspection, Avista Utilities will schedule a follow up meeting with the OPUC gas safety section in the OPUC's Salem, Oregon offices to review the process.

Staff believes that the granting of this waiver, the proposed extension of time to complete the "Atmospheric Corrosion Control: Monitoring," will provide the best possible safety for AVISTA's employees, its customers and the general public. Therefore, a copy of your request, this letter of support, and the Commission's decision on granting the waiver will be mailed to the Pipeline and Hazardous Safety Administration (PHMSA) Office of Pipeline Safety on or before August 15, 2010.

Please feel free to contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Thompson", with a large, sweeping flourish extending to the right.

Michael Thompson
Chief, Pipeline Safety
Oregon Public Utility Commission
503-378-6760
Michael.thompson@state.or.us