

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of

CASCADE NATURAL GAS
CORPORATION'S

2021 Pipe Replacement Program Plan

DOCKET PG-210401

ORDER 01

APPROVING CASCADE NATURAL
GAS CORPORATION'S 2021 PIPE
REPLACEMENT PROGRAM PLAN

BACKGROUND

- 1 On December 31, 2012, the Utilities and Transportation Commission (Commission) issued its Policy on Accelerated Replacement of Pipeline Facilities with Elevated Risk (Policy Statement).¹ As required by the Policy Statement, each investor-owned gas pipeline utility company filed a Master Plan for replacing pipe that represents an elevated risk of failure in 2013.
- 2 The Policy Statement also requires each investor-owned gas pipeline utility company to file a pipeline replacement plan (PRP) every two years for replacing pipe that represents an elevated risk of failure, beginning June 1, 2013.² Each company's plan must include:³
- (1) a Master Plan for replacing all facilities with an elevated risk of failure;
 - (2) a Two-Year Plan that specifically identifies the pipe replacement program goals for the upcoming two year period; and, if applicable,
 - (3) a Pipe Location Plan for identifying the location of pipe or facilities that present an elevated risk of failure.

Each Plan must also: (1) target pipe or facilities that pose an elevated risk of failure; (2) be a measured and reasonable response in relation to the elevated risk without unduly

¹ Docket UG-120715 (December 31, 2012).

² *Id.* ¶ 43. Subsequent PRP filings should be filed by June 1 every two years thereafter (*i.e.*, June 1, 2015, 2017, 2019, etc.).

³ *Id.* ¶ 42.

burdening ratepayers, and (3) be in the public interest.⁴ Finally, each Plan should contain a section analyzing its impact on rates.⁵ Companies seeking to recover costs must simultaneously file a proposed Cost Recovery Mechanism (CRM) with their Plan.

3 On June 1, 2021, Cascade Natural Gas Corporation (Cascade or Company) filed with the Commission an “Updated Pipeline Replacement Plan” for 2021-2023 (2021 Two-Year Plan).

4 Consistent with the Commission’s policy statement, Cascade may submit information for a CRM with its 2021 Two-Year Plan. Commission staff (Staff) will present any such CRM in a separate filing.

5 Cascade’s 2021 Two-Year Plan indicates that certain types of gas pipe with an elevated risk of failure are present within its Washington service area and has placed them in the Master Plan under the category of Early Vintage Steel Pipe (EVSP). EVSP are steel mains, service lines, and associated fittings installed earlier than 1/1/1970 that historically may or may not have been cathodically protected until the code required it in the 1970s. These segments are typically bare steel or coal tar wrapped.

6 ESVP subsets contained in Cascade’s 2021 Two-Year Plan include: Pre-CNGC pipe—these lines were installed by other entities in the 1950s and 1960s, and later acquired by Cascade; 1950s-1960s Fish Service & Management Corporation (FISH) installed steel pipeline segments—pipe with an elevated risk for leaks associated with material and welds; Pre-1970 pipeline segments—segments originally installed by Cascade employees or contractors that present elevated weld failure risk associated with vintage metal arc welds and acetylene gas welds.

7 Cascade’s 2021 Two-Year Plan is revised from the previous Two-Year Plan by the addition of new projects and the deletion of completed projects. New projects added are consistent with the Company’s Distribution Integrity Management Plan (DIMP).

8 With the exception of new project additions and deletion of completed projects, Cascade’s 2021 Two-Year Plan is essentially unchanged from the previous Two-Year Plan. Since the replacement program’s development in 2012, Cascade has replaced over 77.5 miles of pipeline.

⁴ *Id.* ¶¶ 44-56.

⁵ *Id.* ¶ 55.

9 Staff concludes that the 2021 Two-Year Plan meets the requirements of the Master Plan, and projects are appropriately prioritized and ranked per Cascade’s DIMP model. Staff is satisfied that the 2021 Two-Year Plan is consistent with the Commission’s Policy Statement and adequately addresses Cascade’s elevated risk pipeline facilities in Washington.

10 Staff recommends that the Commission approve Cascade’s 2021 Two-Year Plan filed on June 1, 2021.

DISCUSSION

11 The Commission agrees with Staff’s recommendation and approves Cascade’s 2021 Two-Year Plan.

12 We agree with Staff that the Company’s 2021 Two-Year Plan is consistent with our Policy Statement.

FINDINGS AND CONCLUSIONS

13 (1) The Commission is an agency of the state of Washington vested by statute with the authority to regulate the rates, rules, regulations, and practices of public service companies, including natural gas companies.

14 (2) Cascade is a natural gas company and a public service company subject to Commission jurisdiction.

15 (3) Cascade filed its 2021 Two-Year Plan with the Commission on June 1, 2021.

16 (4) Cascade’s 2021 Two-Year Plan is a reasonable and measured approach to replace pipeline facilities with an elevated risk of failure.

ORDER

THE COMMISSION ORDERS:

17 (1) Cascade Natural Gas Corporation’s 2021 Two-Year Plan is approved.

18 (2) Cascade Natural Gas Corporation should file an updated Pipeline Replacement Program Plan for 2023-2025 no later than June 1, 2023.

The Commissioners, having determined this Order to be consistent with the public interest, directed the Secretary to enter this Order.

DATED at Lacey, Washington, and effective August 26, 2021.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARK L. JOHNSON
Executive Director and Secretary