

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Request of

CASCADE NATURAL GAS
CORPORATION,

Pursuant to WAC 480-93-020 for
Approval to Operate a Proposed New 12
Inch Pipeline at a Maximum Allowable
Operating Pressure of 499 Pounds per
Square Inch Guage within 100 Feet of
Existing Structures Intended for Human
Occupancy

DOCKET PG-160210

ORDER 01

ORDER APPROVING REQUEST

BACKGROUND

- 1 On February 12, 2016, Cascade Natural Gas Corporation (CNGC or Company), filed with the Washington Utilities and Transportation Commission (Commission) a request for approval to operate a proposed new 12-inch natural gas pipeline at a maximum allowable operating pressure (MAOP) of 499 psig (pounds per square inch gauge) within 100 feet of existing structures intended for human occupancy.
- 2 The Commission has adopted the Code of Federal Regulations (CFR) Title 49, Part 192 and promulgated Washington Administrative Code (WAC) Chapter 480-93 as the minimum standards for gas pipeline construction. WAC 480-93-020 requires a gas pipeline company to obtain approval from the Commission to operate a gas pipeline at greater than 250 psig within 100 hundred feet of certain structures.
- 3 CNGC proposes to construct and maintain a new 20,500 foot segment of 12-inch pipe in rural Mason County, approximately 2 miles northeast of Shelton. The project, identified as Kitsap Phase 4, will eventually connect with the previously installed Kitsap Phase 1, 2, 3, and 6 pipelines to serve the increasing demand for natural gas on the Kitsap Peninsula to ensure system reliability. CNGC proposes to operate this pipeline at a pressure of 499 psig with a maximum specified minimum yield strength (SMYS) of 16.31 percent.
- 4 CNGC proposes to construct the pipeline within 21 feet of an existing cabin. CNGC states that it cannot increase this distance because the landowner insists that the pipeline easement follow existing roads on the property. CNGC studied alternative routes, all of which would pass through more developed areas and would be in close proximity to

many homes and recreational areas. The Company concluded that there is no safer, practical means of connecting its existing systems than the project it proposes. Accordingly, CNGC requests that the Commission approve that project.

- 5 Commission Staff (Staff) reviewed the request and concludes that CNGC's proposed construction meets all of the pertinent requirements of Title 49 CFR, Part 192 and WAC Chapter 480-93. Staff agrees with the Company that the selected location of the new pipeline has the least impact on surrounding population densities and that system improvements are necessary to ensure adequate natural gas capacity in CNGC's growing distribution system.
- 6 Staff, therefore, recommends that the Commission approve the request subject to the following conditions to minimize the risks to public safety from the proposed pipeline:
 - (a) CNGC must submit "as-built" ESRI GIS Shapefiles of the pipeline location with final construction specifications to the Commission within six months of completing the project.
 - (b) CNGC must construct and operate the proposed new 12-inch pipeline to maintain a pipe hoop stress below 20 percent of SMYS of the pipe at the MAOP of 499 psig.
 - (c) CNGC will construct the pipeline to accommodate in-line inspection (ILI) tools such as "Smart Pigs."
 - (d) CNGC must test the pipeline to a minimum of 749 psig in all locations along the pipeline route at a test pressure that is at least 1.5 times the MAOP of 499 psig. The test will be for 24 hours without pressure loss unless the loss can be justified by a corresponding change in temperature. If CNGC identifies any leaks, CNGC will stop the pressure test, repair the leak, and start the pressure test anew.
 - (e) CNGC must electrically inspect (jeep) the pipe coating and repair any coating defects in accordance with CNGC's Operating Standard prior to backfilling or pulling into a directional borehole.
 - (f) Where physically practicable, CNGC will bury the pipeline with a minimum of 48 inches of cover. Where 48 inches of cover is not practicable, CNGC will bury the pipeline with a minimum of 36 inches of cover.
 - (g) CNGC must apply backfill material around the pipe to protect the pipe and coating. The material around the pipe must be free of any sharp rocks or other

objects with a maximum particle size of one half inch and must contain a large percentage of fines, such as, sand, native soil, or soil-based select materials. CNGC may use rock shield where the use of sand is impractical or prohibited.

- (h) CNGC must perform radiograph inspections of 100 percent of all welds unless impractical. Upon request by the Commission, CNGC will provide written documentation where radiographs are impractical including the written radiographer's statement. CNGC must remedy defects in the welds in accordance with CNGC's operating standards and procedures. CNGC must radiograph all repaired welds to ensure pipeline integrity and compliance with existing standards.
- (i) CNGC must install and maintain mainline valves spaced at intervals necessary to meet the Class 3 location requirement under CFR Title 49, Part 192.179 for valve spacing to ensure each point of the pipeline is within 4 miles of a valve.
- (j) CNGC must annually conduct a leak survey of the pipeline when it operates at or above 250 psig. Regardless of operating pressure, CNGC must conduct leak surveys near high occupancy structures or areas no less frequently than annually unless the Commission rules require additional surveys.
- (k) CNGC must install cathodic protection within 90 days after the pipeline is installed.
- (l) CNGC may not use any material to wrap or coat pipeline girth welded joints that will not keep its integrity during horizontal directional drilling (HDD) construction. CNGC must visually and electronically inspect (jeep) HDD test joints upon exiting the borehole to verify the suitability of a particular product to withstand insertion into each bore.
- (m) CNGC must provide telephonic notice to the Commission Pipeline Safety Program followed by an email confirmation at least two business days prior to the beginning of project construction.
- (n) CNGC must contact residents along the pipeline right-of-way and inform them of the project construction and provide any additional information consistent with the public awareness requirements in Title 49 CFR, Part 192.616.

DISCUSSION

- 7 The Commission concurs with Staff's analysis and adopts its recommendations. The Commission's primary objective in regulating natural gas pipelines is to protect public

safety. The rules the Commission has promulgated to govern pipelines incorporate and exceed federal requirements and provide flexibility to establish safety standards tailored to individual projects. The commission's proximity rule, WAC 480-93-020, is one such rule and allows pipeline staff the opportunity to review construction plans of high pressure pipelines in close proximity to inhabited structures to address safety considerations. Staff's recommended conditions described in paragraph 6 appropriately minimize the public safety risk associated with the proposed pipeline. Accordingly, we approve the Company's request.

FINDINGS AND CONCLUSIONS

- 8 (1) The Washington Utilities and Transportation Commission is an agency of the State of Washington vested by statute with the authority to adopt and enforce rules for gas pipeline safety.
- 9 (2) CNGC is a gas pipeline company subject to Commission jurisdiction.
- 10 (3) CNGC proposes to construct and maintain a new 20,500 foot segment of 12-inch pipe in rural Mason County, approximately 2 miles northeast of Shelton to increase the capacity and enhance the reliability of the Company's natural gas distribution system.
- 11 (4) The location CNGC has selected for the new pipeline has the least impact on surrounding population densities.
- 12 (5) CNGC's construction plans indicate that the proposed pipeline meets or exceeds all of the pertinent requirements of Title 49 CFR, Part 192 and WAC Chapter 480-93.
- 13 (6) The selected location of the proposed new pipe has the least impact on the surrounding community.
- 14 (7) The proposed new pipeline is necessary to ensure adequate natural gas supply to CNGC's distribution system serving the growing communities in Kitsap County.
- 15 (8) The conditions recommended by staff add requirements to this installation, some in excess of federal and state regulations, that minimize the added risk of the close proximity of the pipeline to a habitable structure.

- 16 (9) This matter came before the Commission at its regularly scheduled open meeting on April 28, 2016.
- 17 (10) The Commission should approve CNGC's proposal to construct and operate a new 12-inch natural gas pipeline at a MAOP of 499 psig within 100 feet of existing structures intended for human occupancy in rural Mason County as consistent with the public interest with the conditions Staff has recommended.

ORDER

THE COMMISSION ORDERS:

- 18 (1) The Commission approves Cascade Natural Gas Corporation's proposal to construct and operate a new 12-inch natural gas pipeline in rural Mason County at a maximum allowable operating pressure of 499 pounds per square inch gauge within 100 feet of existing structures subject to the conditions in paragraph 6 of this Order.
- 19 (2) The Commission retains jurisdiction over the subject matter of this docket and Cascade Natural Gas Corporation to effectuate the terms of this Order.

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

DATED at Olympia, Washington, and effective April 28, 2016.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

STEVEN V. KING, Executive Director and Secretary