Service Date: September 28, 2026

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION
NOTICE OF PENALTIES INCURRED AND DUE
FOR VIOLATIONS OF LAWS AND RULES

PENALTY ASSESSMENT: DG-260749
PENALTY AMOUNT: $5,000
Investigation #9374
UBI: 578-012-249

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YOU MUST RESPOND WITHIN 15 DAYS OF THIS NOTICE

The Washington Utilities and Transportation Commission (Commission) believes that Cascade Natural Gas Company (CNGC or Company) violated the following Revised Code(s) of Washington (RCW):

- RCW 19.122.030(4)(a) by failing to provide information to an excavator pursuant to subsection (3) of this section, as to its locatable and unlocatable underground facilities, no later than the work-to-begin date on the notice

RCW 19.122.055(1)(a) states, in part, that any excavators who violate any provision of this chapter and causes damage to an underground gas facility are subject to a civil penalty of not more than $25,000 for each violation.

On August 12, 2026, CNGC submitted to the commission a 30-day report of an incident involving Snohomish County Public Utility District (Snohomish PUD) damaging a natural gas facility that occurred on July 13, 2026. Staff conducted an investigation that included reviewing the incident and damage reports, emails, photographs, and the One Call Center database. The investigation identified a natural gas damage event that involved CNGC. View the Staff Investigation Memo.[1]

Alleged Violation:

On July 13, 2026, Snohomish PUD was excavating at 19124 63rd Avenue Northeast, Arlington, Washington. The 30-day report submitted by CNGC on August 12, 2026, indicated that

[1] https://apiproxy.utc.wa.gov/cases/GetDocument?docID=4&year=2026&docketNumber=260749 .

Snohomish PUD struck and damaged a ¾" steel service line because CNGC failed to mark its underground facility due to incorrect facility records/maps.

The Commission has reviewed Staff's Investigation Memo and considered the following factors in determining the appropriate penalties for these violations:

1. **How serious or harmful the violations are to the public.**

   This incident could have been harmful to Company workers, utility technicians, nearby homeowners, and the public, and could have resulted in serious injury and loss of property.

2. **Whether the violations are intentional.**

   This violation appears to be due to negligence by CNGC technicians rather than a lack of knowledge of Washington State's Dig Law. Over the past three years, CNGC has been penalized by the Commission on two occasions for violating RCW 19.122.

3. **Whether the company self-reported the violations.**

   CNGC self-reported the violation. The Commission received a 30-day Incident Report as required by WAC 480-93-200(4) from CNGC on August 12, 2026, concerning an incident that occurred on July 13, 2026.

4. **The likelihood of recurrence.**

   The likelihood of recurrence depends on the Company's actions going forward and its ability to provide excavators with reasonably accurate information by marking its facility locations as required by Washington State's Dig Law.

5. **The Company's previous violations and penalties.**

   Penalty Assessments
   - On February 10, 2015, the Commission issued CNGC a Penalty Assessment of $1,000 for one violation of RCW 19.122.030(3)(a) – in docket UG-143953.
   - On May 19, 2025, the Commission issued CNGC a Penalty Assessment of $1,000 for one violation of RCW 19.122.030(3)(a)- in docket D-250158.

The Commission has reviewed the findings and recommendations made by Staff and considered the factors enumerated above and hereby determines that it should penalize you as follows:

- $5,000 penalty for one violation of RCW 19.122.030(4)(a)

Further violation of Chapter 19.122 RCW will result in progressive penalty assessment up to the maximum allowable by law.

These facts, if proven at a hearing and not rebutted or explained, are sufficient to support the Penalty Assessment.

Your penalty is due and payable now. If you believe the violation(s) did not occur, you may deny committing the violation(s) and contest the penalty through evidence presented at a hearing or in writing, or you may ask for mitigation (reduction) of the penalty through evidence presented at a hearing or in writing. Pursuant to the Commission's Enforcement Policy, the Commission considers three factors in determining whether mitigation of an assessed penalty is appropriate:

1. Whether the company demonstrates that the facts considered by the Commission underlying the assessment were incorrect or do not support the penalty assessed;

2. Whether the company demonstrates that mitigating information or factors exist that the Commission may not have considered in setting the assessed penalty amount; and

3. Whether the company explains other circumstances that convince the Commission that a lesser penalty will be equally or more effective in ensuring compliance by the company with applicable statutory and regulatory requirements.[2]

If seeking mitigation in writing, the Company should refer to the above factors used in determining the penalty amount and explain how the facts or circumstances support mitigation. The Commission will grant a request for a hearing only if material issues of law or fact require consideration of evidence and resolution in a hearing. Any request to contest the violation(s) or for mitigation of the penalty must include a written statement of the reasons supporting that request. Failure to provide such a statement will result in denial of the request. *See* RCW 81.04.405.

If you properly present your request for a hearing and the Commission grants that request, the Commission will review the evidence supporting your dispute of the violation(s) or application for mitigation in a Brief Adjudicative Proceeding before an administrative law judge. The administrative law judge will consider the evidence and will notify you of their decision.

You must act within 15 days after receiving this Penalty Assessment to do one of the following:

- Pay the $5,000 penalty amount due; or
- Contest the occurrence of the violation(s); or
- Admit the violation(s) but request mitigation of the penalty amount.

Please indicate your selection on the enclosed form and submit it electronically through the Commission's web portal at https://efiling.utc.wa.gov/Form **within FIFTEEN (15) days** after you

[2] Docket A-120061, Enforcement Policy for the Washington Utilities and Transportation Commission at 10-11 ¶ 19 (January 7, 2013).

receive this Penalty Assessment. If you are unable to use the web portal, you may submit it via email to records@utc.wa.gov. If you are unable to submit the form electronically, you may send a paper copy to the Washington Utilities and Transportation Commission, PO Box 47250, Olympia, Washington 98504-7250.

If you wish to make your payment online, please use this link: Make a Payment Now (wa.gov).[3]

If you do not act within 15 days, the Commission may refer this matter to the Office of the Attorney General for collection.

DATED at Lacey, Washington, and effective September 28, 2026

/s/ *Connor Thompson*
CONNOR THOMPSON
Director, Administrative Law Division

[3] https://www.utc.wa.gov/documents-and-proceedings/online-payments/make-payment-now.