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BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

CASCADE NATURAL GAS
CORPORATION,

Respondent.

DOCKET NO. PG-110443

ANSWER

INTRODUCTION

1. Cascade Natural Gas Corporation's ("Cascade" or "the Company") address for purposes of this proceeding is:

Katherine Barnard
Manager--Gas Supply & Regulatory Affairs
Tina Beach
Manager- Standards and Compliance
Cascade Natural Gas
8113 W Grandridge Blvd
Kennewick, WA 99336-7166
Phone: 509 734-4593
509 734-4576
Email: kathie.barnard@cngc.com
tina.beach@cngc.com

ANSWER 1

1 Cascade's representatives for purposes of this proceeding are:
2

3 Sheree Strom Carson
4 Donna L. Barnett
5 Perkins Coie LLP
6 10885 N.E. Fourth Street, Suite 700
7 Bellevue, WA 98004-5579
8 Phone: 425-635-1400
9 Fax: 425-635-2400
10 SCarson@perkinscoie.com
11 DBarnett@perkinscoie.com
12
13

14 2. Cascade recognizes the Commission's important responsibilities in auditing
15 and enforcing pipeline safety with respect to the companies it regulates. Cascade is
16 committed to operational excellence, and the Company strives for full compliance with
17 federal and state regulations. Cascade recognized many of the issues addressed in this
18 Complaint prior to its filing, and Cascade has heightened its efforts and has taken appropriate
19 action to correct such issues. The Company believes it operates and maintains a safe and
20 reliable system. Nevertheless, Cascade is constantly looking for ways to improve and
21 enhance pipeline safety. In that regard, the Company welcomes the Commission Staff's
22 audits of its facilities as a means of identifying systems and processes related to pipeline
23 safety that are both working effectively, and that may be improved with the goal of providing
24 safe and reliable gas service.
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36 3. With these fundamental principles in mind, Cascade answers the Complaint of
37 the Washington Utilities and Transportation Commission (the "Commission") dated March
38 21, 2011 (the "Complaint") as stated below.
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41

42 **ANSWER**
43

44 4. Because paragraph 1 contains no legal or factual allegations, Cascade neither
45 admits nor denies this paragraph.
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47

ANSWER 2

32032-0012/LEGAL20617075.1

Perkins Coie LLP
10885 N.E. Fourth Street, Suite 700
Bellevue, WA 98004-5579
Phone: (425) 635-1400
Fax: (425) 635-2400

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I. PARTIES

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5. Answering paragraph 2, Cascade admits that the Commission is an agency of the State of Washington, authorized by Title 80 RCW to regulate in the public interest the rates, services, facilities and practices of all persons engaging within the State of Washington in the business of supplying any utility service or commodity to the public for compensation, and related activities, including gas companies, and by RCW 81.88 to regulate persons or entities constructing, owning, or operating gas pipelines for transporting gas.

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6. Answering paragraph 3, Cascade admits that it is a corporation that, among other things, owns and operates a system for transporting natural gas within the State of Washington.

II. JURISDICTION

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7. Answering paragraph 4, Cascade admits that the Commission generally has jurisdiction over this matter pursuant to the provisions of RCW 80.28 and RCW 81.88. Cascade admits that the conduct alleged in this complaint occurred within the State of Washington. With respect to specific provisions cited in the Complaint, paragraph 4 contains legal conclusions to which no answer is required.

8. Answering paragraph 5, Cascade admits that the Commission generally has jurisdiction over this matter pursuant to the provisions of RCW 80.01, RCW 80.04, RCW 80.28, RCW 81.88, and WAC 480-93. With respect to specific provisions cited in the Complaint, paragraph 4 contains legal conclusions to which no answer is required.

III. BACKGROUND

9. Answering paragraph 6, Cascade admits that the Commission has adopted, through WAC 480-93-999(1), Part 192 of the Title 49 of the Code of Federal Regulations (C.F.R.) and has promulgated gas pipeline rules codified in WAC 480-93 and WAC 480-90.

1 The first sentence of paragraph 6 states a legal opinion or conclusion for which an answer is
2 inappropriate and is therefore denied. Cascade neither admits nor denies the last sentence of
3 paragraph 6, which describes an aspect of the structural format of the Complaint and does not
4 contain any factual or legal allegation that requires an answer.
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9 10. Answering paragraph 7, Cascade admits that WAC 480-93-180(1) states in
10 part that a gas utility such as Cascade must "have and follow" a "gas pipeline plan and
11 procedure manual" and "that manual must include plans and procedures for meeting all
12 applicable requirements of 4 CFR §§ 191, 192 and Chapter 480-93 WAC."
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17 11. Answering paragraph 8, Cascade admits that it possessed a plan and
18 procedures manual at all times relevant to the Complaint. Cascade neither admits nor denies
19 the second sentence of paragraph 8, which describes an aspect of the structural format of the
20 Complaint and does not contain any factual or legal allegation that requires an answer.
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25 12. Answering paragraph 9, Cascade neither admits nor denies paragraph 9
26 because it describes an aspect of the structural format of the Complaint and does not contain
27 any factual or legal allegations that require an answer. To the extent an answer is required to
28 paragraph 9, Cascade denies the same.
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33 13. Cascade neither admits nor denies paragraph 10, which describes aspects of
34 the structural format of the Complaint and does not contain any factual or legal allegations
35 that require an answer.
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39 14. Cascade neither admits nor denies paragraph 11, which describes aspects of
40 the structural format of the Complaint and does not contain any factual or legal allegations
41 that require an answer.
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IV. NATURE OF THE COMPLAINT

15. Answering paragraph 12, Cascade neither admits nor denies the first sentence of paragraph 12, which describes aspects of the structural format of the Complaint and does not contain any factual or legal allegations that require an answer. Cascade admits that Staff conducted investigations of Cascade's gas facilities, records and practices in the five districts listed in paragraph 12. The remainder of paragraph 12 states legal opinions and conclusions for which an answer is not necessary.

16. Answering paragraph 13, Cascade denies the allegations in the first sentence of paragraph 13. Cascade admits that the Commission has statutory authority to issue monetary penalties for gas safety rule violations and that the Commission may set standards for service. The remainder of paragraph 13 states legal opinions and conclusions for which an answer is inappropriate and is therefore denied.

V. ALLEGATIONS

A. Claims and Causes of Action

1. First Cause of Action (Overpressure)

17. Answering paragraph 14, Cascade admits that Cascade had one overpressure event on December 2, 2009. Cascade immediately responded to the event and remedied the condition.

18. Answering paragraph 15, the first sentence of paragraph 15 states a legal opinion or conclusion for which an answer is inappropriate and is therefore denied. Cascade neither admits nor denies the second sentence of paragraph 15, which does not contain any factual or legal allegations that require an answer.

19. Answering paragraph 16, Cascade admits that it notified the Commission of the incident at approximately 2:00 P.M. on December 3, 2009. Cascade also admits that the

1 pipeline was possibly operated at 120 pounds per square inch gauge ("psig"). The gauge was
2 installed and the relief stopped almost, if not immediately, after the regulator was shut down.
3
4 This indicates that pressure was close to, if not less than, the relief set pressure. The
5
6 regulator station has been removed, and the system has been looped back to the main city
7
8 regulator, and pressure is being monitored.
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11 20. Answering paragraph 17, the first sentence of paragraph 17 states a legal
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13 opinion or conclusion for which an answer is inappropriate and is therefore denied. The last
14
15 sentence of paragraph 17 does not contain any factual or legal allegations that require an
16
17 answer. Further answering paragraph 17, Cascade has a long history of compliance with
18
19 WAC 480-93-200(1)(f) prior to the December 2, 2009 event, and Cascade complied with the
20
21 rule after the event. Cascade's failure to notify Commission Staff within two hours of an
22
23 overpressure event on December 2, 2009, was an anomaly. In fact, Cascade has notified
24
25 Staff of overpressure events as small as one pound over the maximum allowable operating
26
27 pressure (MAOP), which was less than the amount that requires Staff notification. When it
28
29 became apparent on December 3, 2009, that Staff had not been notified, Cascade
30
31 immediately notified Staff, correcting the reporting error. Further, Cascade took steps to
32
33 educate personnel regarding timely reporting, and has implemented long-term corrections to
34
35 enhance its compliance with reporting requirements such as WAC 480-93-200(1)(f). For
36
37 example, Cascade has recently developed new Emergency Notification Guidelines and
38
39 Emergency Contact Guidelines, which specifically address the types of event described in
40
41 this cause of action.

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43 21. Answering paragraph 18, Cascade admits that it repaired the regulator by
44
45 approximately 11:25 A.M. on December 2, 2009. Cascade denies the remainder of the
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1 allegations in paragraph 18. The second sentence of paragraph 18 states opinions and
2 conclusions of Staff for which an answer is inappropriate and is therefore denied.
3

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5 22. Answering paragraph 19, the first sentence of paragraph 19 states a legal
6 opinion and conclusion for which an answer is inappropriate and is therefore denied.
7
8 Cascade neither admits nor denies the last sentence of paragraph 19, which does not contain
9 any factual or legal allegations that require an answer.
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12 23. Answering paragraph 20, Cascade admits the allegations in paragraph 20.
13 Further answering paragraph 20, Cascade is in the process of correcting its company
14 procedure #3370 to appropriately address Investigation of Failures.
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18 24. Answering paragraph 21, the first sentence of paragraph 21 states a legal
19 opinion or conclusion for which an answer is inappropriate and is therefore denied. Cascade
20 neither admits nor denies the last sentence of paragraph 21, which does not contain any
21 factual or legal allegations that require an answer.
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25 25. Cascade neither admits nor denies 22, which does not contain any factual or
26 legal allegations that require an answer.
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31 **2. Second Cause of Action (Corrosion Control - Monitoring)**

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33 **Whatcom District [9.1]**

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35 26. Answering paragraph 23, Cascade admits that it failed to inspect Section I009
36 for atmospheric corrosion within 39 months of its last inspection. Further answering
37 paragraph 23, Section I009 was inadvertently omitted from work schedules upon a transition
38 from walking collection for meter data to vehicle mobile collection. Upon discovery of the
39 error during Staff's inspection on September 23, 2009, Cascade immediately began surveying
40 the omitted meters, completing the survey before December 25, 2009. In addition, Cascade
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1 is in the process of implementing a new maintenance management system, which will
2 enhance timely meter inspections.
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5 27. Answering paragraph 24, the first sentence of paragraph 24 states a legal
6 opinion or conclusion for which an answer is inappropriate and is therefore denied. Cascade
7 neither admits nor denies the last sentence of paragraph 24, which does not contain any
8
9 factual or legal allegations that require an answer.
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13 **Kitsap District [17.2]**
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15 28. Answering paragraph 25, Cascade admits the allegations of the first sentence
16 of paragraph 25. The second sentence of paragraph 25 describes an aspect of the structural
17 format of the Complaint and does not contain any factual or legal allegations that require an
18 answer. Further answering paragraph 25, Cascade is in the process of implementing a new
19 maintenance management system, which will enhance timely corrosion monitoring.
20

21 29. Answering paragraph 26, the first sentence of paragraph 26 states a legal
22 opinion or conclusion for which an answer is inappropriate and is therefore denied. Cascade
23 neither admits nor denies the last sentence of paragraph 26, which does not contain any
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25 factual or legal allegations that require an answer.
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32 **Tri-Cities District [25]**
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34 30. Answering paragraph 27, Cascade denies the allegations of the first sentence
35 of paragraph 29. Cascade performed atmospheric corrosion monitoring in compliance with
36 all code requirements. Records of performance were available at the time of Staff's field
37 inspection, but Staff either did not review the records that were provided, or in some cases,
38 Staff did not ask for such records. The second sentence of paragraph 27 describes an aspect
39 of the structural format of the Complaint and does not contain any factual or legal allegations
40 that require an answer.
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1 31. Answering paragraph 28, the first and third sentences of paragraph 28 state
2 legal opinions or conclusions for which an answer is inappropriate and are therefore denied.
3 Cascade neither admits nor denies the second sentence of paragraph 28, which does not
4 contain any factual or legal allegations that require an answer. To the extent an answer is
5 required to paragraph 28, Cascade denies the same.
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10 32. Cascade neither admits nor denies paragraph 29, which does not contain any
11 factual or legal allegations that require an answer. To the extent an answer is required to
12 paragraph 29, Cascade denies the same.
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16 **3. Third Cause of Action (Corrosion Control – Records)**

17 **Whatcom District [9.3]**

18 33. Answering paragraph 30, Cascade admits the allegation of the first sentence
19 of paragraph 30. The second sentence of paragraph 30 describes an aspect of the structural
20 format of the Complaint and does not contain any factual or legal allegations that require an
21 answer. Further answering paragraph 30, Cascade took immediate action to correct any
22 record-keeping errors. Cascade has corrected each of the instances described in Attachment
23 A to the Complaint by providing Staff with corrosion control records.
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32 34. Answering paragraph 31, the first sentence of paragraph 31 states legal
33 opinions or conclusions for which an answer is inappropriate and are therefore denied.
34 Cascade neither admits nor denies the second sentence of paragraph 31, which does not
35 contain any factual or legal allegations that require an answer.
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41 **Aberdeen District [4]**

42 35. Answering paragraph 32, Cascade denies the allegations in the first sentence
43 of paragraph 32. The second sentence of paragraph 32 describes an aspect of the structural
44 format of the Complaint and does not contain any factual or legal allegations that require an
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1 answer. Further answering paragraph 32, Cascade did record the conditions of exposed pipes
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3 at both the locations of the alleged violations, and it was recorded at the time of Staff's
4
5 inspection on September 18, 2009. While the conditions were not listed on Cascade's
6
7 Substructure Damage/Leak Report form, the conditions were recorded on work orders
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9 attached to the respective incident records. These records were provided to Staff on
10
11 November 30, 2009, in Docket No. PG-080108.

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13 36. Answering paragraph 33, the first sentence of paragraph 33 states legal
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15 opinions or conclusions for which an answer is inappropriate and are therefore denied.
16
17 Cascade neither admits nor denies the second sentence of paragraph 33, which does not
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19 contain any factual or legal allegations that require an answer. To the extent an answer is
20
21 required to paragraph 33, Cascade denies the same.

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23 **Tri-Cities District [26]**

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25 37. Answering paragraph 34, Cascade denies the first part of the first sentence of
26
27 paragraph 34 that it failed to maintain atmospheric corrosion control records, but admits the
28
29 second part of the first sentence of paragraph 34, that it failed to make such records available
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31 to Staff upon request in the field. The second sentence of paragraph 34 states legal opinions
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33 or conclusions for which an answer is inappropriate and is therefore denied. The third
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35 sentence of paragraph 34 describes an aspect of the structural format of the Complaint and
36
37 does not contain any factual or legal allegations that require an answer. Further answering
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39 paragraph 34, Cascade does maintain atmospheric corrosion control records, and did so at the
40
41 time of Staff's inspection. However, Cascade acknowledges that its former record storage
42
43 system made it difficult to quickly identify and provide the records to Staff upon their
44
45 request in the field. Cascade has improved its records storage system by standardizing the
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47

1 records storage system across districts. Records are color-coded, and are consistently
2 uniform across districts to more easily identify applicable records.
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5 38. Answering paragraph 35, the first sentence of paragraph 35 states legal
6 opinions or conclusions for which an answer is inappropriate and are therefore denied.
7 Cascade neither admits nor denies the second sentence of paragraph 35, which does not
8 contain any factual or legal allegations that require an answer. To the extent an answer is
9 required to paragraph 35, Cascade denies the same.
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15 39. Cascade neither admits nor denies paragraph 36, which does not contain any
16 factual or legal allegations that require an answer. To the extent an answer is required to
17 paragraph 36, Cascade denies the same.
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21 **4. Fourth Cause of Action (Gas Leak Surveys)**

22 **Whatcom District [4.2, 4.2]**

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25 40. Answering paragraph 37, Cascade admits the allegation in the first sentence of
26 paragraph 37. Cascade denies the allegation in the second sentence of paragraph 37. Further
27 answering paragraph 37, with the help of Staff, Cascade has identified several instances
28 where Cascade's mapping system is insufficient or inaccurate. Cascade has made several
29 corrections and improvements to its mapping system, and continues to implement additional
30 improvements. Cascade's mapping system involves manually highlighting physical maps
31 following inspections. It appears there were isolated instances where the maps were not
32 appropriately updated, and it appears employees should have spent more time documenting
33 surveys on the maps. Cascade has identified, and is in the process of correcting, these
34 anomalies. Cascade believes that all the surveys were in fact performed, but the maps were
35 insufficiently updated to reflect the surveys. Cascade recognizes its obligation related to
36 survey documentation and has implemented short term corrections through personnel
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1 training. Cascade is also in the process of implementing long-term corrections by converting
2
3 its mapping system to an electronic geographic information system ("GIS"), which will
4
5 incorporate system-wide mapping system improvements.

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7 41. Answering paragraph 38, the first sentence of paragraph 38 states legal
8
9 opinions or conclusions for which an answer is inappropriate and are therefore denied.
10
11 Cascade neither admits nor denies the second sentence of paragraph 38, which does not
12
13 contain any factual or legal allegations that require an answer.

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15 42. Answering paragraph 39, Cascade admits the allegations stated in the first and
16
17 second sentence of paragraph 39. Cascade denies the allegations stated in the third sentence
18
19 of paragraph 39. Cascade has performed self-audits and has identified instances where
20
21 certain services were not located accurately on maps. Cascade believes these are isolated
22
23 instances, and the vast majority of Cascade's maps are accurate with respect to locations of
24
25 services. Cascade has corrected its mapping error with respect to the locations referenced in
26
27 paragraph 39. Cascade believes that the surveys were in fact performed, but in these two
28
29 instances, the maps did not reflect the surveys.

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31 43. Answering paragraph 40, the first sentence of paragraph 40 states legal
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33 opinions or conclusions for which an answer is inappropriate and are therefore denied.
34
35 Cascade neither admits nor denies the second sentence of paragraph 40, which does not
36
37 contain any factual or legal allegations that require an answer.

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39 **Kitsap District [10]**

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41 44. Answering paragraph 41, Cascade admits the allegations stated in paragraph
42
43 41. Cascade corrected this mapping error.

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45 45. Answering paragraph 42, the first sentence of paragraph 42 states legal
46
47 opinions or conclusions for which an answer is inappropriate and are therefore denied.

1 Cascade neither admits nor denies the second sentence of paragraph 42, which does not
2 contain any factual or legal allegations that require an answer.
3

4
5 **Aberdeen District [14, 15.2]**
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7 46. Answering paragraph 43, Cascade denies the allegations stated in the first
8 sentence of paragraph 43. The second sentence of paragraph 43 describes an aspect of the
9 structural format of the Complaint and does not contain any factual or legal allegations that
10 require an answer. Further answering paragraph 43, Cascade's records regarding the
11 locations of the alleged violations referenced in paragraph 43 are sufficient to meet the
12 requirements of WAC 480-93-188(4)(e) and WAC 480-93-018(1). Staff's findings regarding
13 incident # 6740 do not specify which, if any, information is insufficient. On November 30,
14 2009, Cascade provided Staff with records for both locations of the alleged violations.
15
16

17 47. Answering paragraph 44, the first two sentences of paragraph 44 state legal
18 opinions or conclusions for which an answer is inappropriate and are therefore denied.
19 Cascade neither admits nor denies the third sentence of paragraph 44, which does not contain
20 any factual or legal allegations that require an answer. To the extent an answer is required to
21 paragraph 44, Cascade denies the same.
22

23 48. Answering paragraph 45, Cascade denies the allegations stated in
24 paragraph 45 with regard to the specific instances identified in Finding 15.2(a). With regard
25 to Finding 15.2(b), Cascade admits that its leak survey report identified the instrument
26 identification name rather than the instrument identification number. Cascade admits that,
27 with regard to Finding 15.2(c), Cascade recorded follow-up leak surveys on work orders
28 rather than on Cascade's typical leak report. Cascade provided Staff with records of these
29 leak surveys on November 30, 2009.
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1 49. Answering paragraph 46, the first sentence of paragraph 46 states legal
2 opinions or conclusions for which an answer is inappropriate and are therefore denied.
3
4 Cascade neither admits nor denies the second sentence of paragraph 46, which does not
5
6 contain any factual or legal allegations that require an answer. To the extent an answer is
7
8 required to paragraph 46, Cascade denies the same.
9

10 **Tri-Cities District [11.13, 14, 15.2, 15.3, 18, 19]**

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12 50. Answering paragraph 47, Cascade admits the allegations stated in paragraph
13
14 47.
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16 51. Answering paragraph 48, the first sentence of paragraph 48 states legal
17 opinions or conclusions for which an answer is inappropriate and are therefore denied.
18
19 Cascade neither admits nor denies the second sentence of paragraph 48, which does not
20
21 contain any factual or legal allegations that require an answer.
22
23

24 52. Answering paragraph 49, Cascade admits that it conducted a self audit on
25
26 May 29, 2008, at Road 84 (Section 1 business district) using leak survey maps 2-C and 3-C.
27
28 Cascade denies the remaining allegations stated in paragraph 49 and the implication that the
29
30 allegations constitute a violation of WAC 480-93-188(6).
31

32 53. Answering paragraph 50, the first sentence of paragraph 50 states legal
33 opinions or conclusions for which an answer is inappropriate and are therefore denied.
34
35 Cascade neither admits nor denies the second sentence of paragraph 50, which does not
36
37 contain any factual or legal allegations that require an answer. To the extent an answer is
38
39 required to paragraph 50, Cascade denies the same.
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42 54. Answering paragraph 51, Cascade admits that it did not provide calibration
43 records for FI and CGI equipment used to survey leaks at three locations identified in
44
45 Attachment A to the Complaint. Staff requested, and was provided, leak records for the
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1 locations referenced in paragraph 51; however, calibration information is not required to be
2 listed on the leak records. Cascade maintains adequate calibration records that comply with
3 all aspects of WAC 480-93-188(2).
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7 55. Answering paragraph 52, the first sentence of paragraph 52 states legal
8 opinions or conclusions for which an answer is inappropriate and are therefore denied.
9 Cascade neither admits nor denies the second sentence of paragraph 52, which does not
10 contain any factual or legal allegations that require an answer. To the extent an answer is
11 required to paragraph 52, Cascade denies the same.
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17 56. Answering paragraph 53, Cascade admits that it did not provide calibration
18 records for FI and CGI equipment used to survey leaks at high occupancy buildings.
19 Cascade performed, and continues to perform, calibrations in accordance with WAC 480-93-
20 188(2). Cascade maintains adequate calibration records in full compliance with all aspects of
21 WAC 480-93-188(2).
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27 57. Answering paragraph 54, the first sentence of paragraph 54 states legal
28 opinions or conclusions for which an answer is inappropriate and are therefore denied.
29 Cascade neither admits nor denies the second sentence of paragraph 54, which does not
30 contain any factual or legal allegations that require an answer. To the extent an answer is
31 required to paragraph 54, Cascade denies the same.
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37 58. Answering paragraph 55, Cascade admits the allegation in the first sentence of
38 paragraph 55. Cascade denies the allegations in the second sentence of paragraph 55.
39 WAC 480-93-188 requires Cascade to, among other things, maintain leak survey records that
40 contain a description of the system and area surveyed (including maps and leak survey logs).
41 Cascade does, and did at the time of Staff's audit, maintain such leak survey records. As
42 stated in paragraph 39, above, Cascade has corrected several instances of inaccurate maps
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1 and is currently implementing further improvements to its mapping system. However, WAC
2 480-93-188(5)(a) merely requires that Cascade's leak surveys provide a description of the
3 system and area surveyed, which Cascade's leak surveys do.
4

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6
7 59. Answering paragraph 56, the first and second sentences of paragraph 56 state
8 legal opinions or conclusions for which an answer is inappropriate and are therefore denied.
9 Cascade neither admits nor denies the third sentence of paragraph 56, which does not contain
10 any factual or legal allegations that require an answer. To the extent an answer is required,
11 Cascade denies the same.
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17 60. Answering paragraph 57, Cascade admits the first two sentences of
18 paragraph 57. Cascade denies the allegations stated the third and fourth sentences in
19 paragraph 57 and the implication that the allegations constitute a violation of WAC 480-93-
20 188(6). Cascade performed self audits in accordance with WAC 480-93-188(6) and made all
21 audit records available to Staff. Cascade neither admits nor denies the last sentence of
22 paragraph 57, which describes an aspect of the structural format of the Complaint and does
23 not contain any factual or legal allegation that requires an answer.
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31 61. Answering paragraph 58, the first sentence of paragraph 58 states legal
32 opinions or conclusions for which an answer is inappropriate and is therefore denied.
33 Cascade neither admits nor denies the second sentence of paragraph 58, which does not
34 contain any factual or legal allegations that require an answer. To the extent an answer is
35 required to paragraph 58, Cascade denies the same.
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41 62. Cascade neither admits nor denies paragraph 59, which does not contain any
42 factual or legal allegations that require an answer. To the extent an answer is required to
43 paragraph 59, Cascade denies the same.
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1 **5. Fifth Cause of Action (Gas Leak Evaluations)**

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3 **Kitsap District [7.3, 8]**

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5 63. Answering paragraph 60, Cascade admits the allegations in paragraph 60.

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7 The allegations referenced in the Complaint that refer to Kitsap District are a result of Staff's
8 audit performed during November 2009 in Docket No. PG-090003. However, Staff did not
9 provide Cascade with the results of the audit for almost one year, until September 2010. By
10 letter dated September 8, 2010, Staff stated that it was closing the docket and, "We have
11 decided not to conduct additional enforcement action at this time due to the extreme time lag
12 in issuing this findings letter." Cascade has implemented improvements to its gas leak
13 evaluations procedures, which either have corrected, or will correct, the majority of alleged
14 violations in this cause of action. Cascade has developed a new company procedure that
15 specifically addresses the types of issues in this cause of action. For example, Cascade's
16 procedures address assigning leak grades for compliance with WAC 480-93-186(1); Cascade
17 has established new procedures for follow-up leak inspections, and Cascade has developed
18 new procedures for properly documenting the perimeter of a leak area. These improvements
19 are efforts to correct the errors described in this cause of action, and to improve overall gas
20 safety and recordkeeping compliance.
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35 64. Answering paragraph 61, the first sentence of paragraph 61 states legal
36 opinions or conclusions for which an answer is inappropriate and is therefore denied.
37 Cascade neither admits nor denies the second sentence of paragraph 61, which does not
38 contain any factual or legal allegations that require an answer.
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43 65. Answering paragraph 62, Cascade admits the allegations in the first sentence
44 of paragraph 62. Cascade neither admits nor denies the second sentence of paragraph 62,
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1 which describes an aspect of the structural format of the Complaint and does not contain any
2
3 factual or legal allegation that requires an answer.

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5 66. Answering paragraph 63, the first sentence of paragraph 63 states legal
6
7 opinions or conclusions for which an answer is inappropriate and is therefore denied.
8
9 Cascade neither admits nor denies the second sentence of paragraph 63, which does not
10
11 contain any factual or legal allegations that require an answer.

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13 67. Answering paragraph 64, Cascade admits the allegations in the first sentence
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15 of paragraph 64. Cascade neither admits nor denies the second sentence of paragraph 64,
16
17 which describes an aspect of the structural format of the Complaint and does not contain any
18
19 factual or legal allegation that requires an answer.

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21 68. Answering paragraph 65, the first sentence of paragraph 65 states legal
22
23 opinions or conclusions for which an answer is inappropriate and is therefore denied.
24
25 Cascade neither admits nor denies the second sentence of paragraph 65, which does not
26
27 contain any factual or legal allegations that require an answer.

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29 69. Answering paragraph 66, Cascade admits the allegations in the first sentence
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31 of paragraph 66. Cascade neither admits nor denies the second sentence of paragraph 66,
32
33 which describes an aspect of the structural format of the Complaint and does not contain any
34
35 factual or legal allegation that requires an answer.

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37 70. Answering paragraph 67, the first sentence of paragraph 67 states legal
38
39 opinions or conclusions for which an answer is inappropriate and is therefore denied.
40
41 Cascade neither admits nor denies the second sentence of paragraph 67, which does not
42
43 contain any factual or legal allegations that require an answer.
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Tri-Cities District [12.1]

71. Answering paragraph 68, Cascade admits the allegations in the first sentence of paragraph 68. Cascade neither admits nor denies the second sentence of paragraph 68, which describes an aspect of the structural format of the Complaint and does not contain any factual or legal allegation that requires an answer.

72. Answering paragraph 69, the first sentence of paragraph 69 states legal opinions or conclusions for which an answer is inappropriate and is therefore denied. Cascade neither admits nor denies the second sentence of paragraph 69, which does not contain any factual or legal allegations that require an answer.

73. Cascade neither admits nor denies paragraph 70, which does not contain any factual or legal allegations that require an answer.

6. Sixth Cause of Action (Gas Leak Records)

Whatcom District [3]

74. Answering paragraph 71, Cascade denies the allegation in the first sentence of paragraph 71. Cascade neither admits nor denies the second sentence of paragraph 71, which describes an aspect of the structural format of the Complaint and does not contain any factual or legal allegation that requires an answer. Staff states in Attachment A to its Complaint that Cascade's gas leak records are inadequate in that they identify the magnitude of CGI reads as a percentage rather than as a percentage and with a unit label. Staff claims that it is unclear whether the percentage read identifies LEL or gas to air. However, Cascade staff is trained to use the "Search" mode using "%LEL" to detect leaks and then to report using the "% Gas in Air" setting. Cascade understands Staff's concern that it is difficult for Staff to determine which magnitude is indicated unless Cascade specifies the scale that is used. Accordingly, Cascade has committed to training employees to indicate which scale they are recording.

1 75. Answering paragraph 72, the first two sentences of paragraph 72 state legal
2 opinions or conclusions for which an answer is inappropriate and are therefore denied.
3
4 Cascade neither admits nor denies the remainder of paragraph 72, which does not contain any
5
6 factual or legal allegations that require an answer. To the extent an answer is required to
7
8 paragraph 72, Cascade denies the same.
9

10 **Kitsap District [9]**

11 76. Answering paragraph 73, Cascade admits the allegations of the first sentence
12 of paragraph 73. Cascade neither admits nor denies the second sentence of paragraph 73,
13
14 which describes an aspect of the structural format of the Complaint and does not contain any
15
16 factual or legal allegation that requires an answer. Cascade has corrected the specific
17
18 instances and deficiencies alleged in paragraph 73.
19
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22 77. Answering paragraph 74, the first sentence of paragraph 74 states legal
23 opinions or conclusions for which an answer is inappropriate and is therefore denied.
24
25 Cascade neither admits nor denies the remainder of paragraph 74, which does not contain any
26
27 factual or legal allegations that require an answer.
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31 **Tri-Cities District [11.14, 13]**

32 78. Answering paragraph 75, Cascade admits the allegation in the first sentence of
33 paragraph 75. Cascade neither admits nor denies the second sentence of paragraph 75, which
34
35 describes an aspect of the structural format of the Complaint and does not contain any factual
36
37 or legal allegation that requires an answer. Cascade denies the implication that the
38
39 allegations in paragraph 75 constitute a separate and additional violation of WAC 480-93-
40
41 187(13), beyond those alleged in the fifth cause of action.
42
43
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45 79. Answering paragraph 76, the first sentence of paragraph 76 states legal
46 opinions or conclusions for which an answer is inappropriate and is therefore denied.
47

1 Cascade neither admits nor denies the remainder of paragraph 76, which does not contain any
2
3 factual or legal allegations that require an answer. To the extent an answer is required to
4
5 paragraph 76, Cascade denies the same.

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7 80. Answering paragraph 77, Cascade admits the allegation in the first sentence of
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9 paragraph 77. Cascade neither admits nor denies the second sentence of paragraph 77, which
10
11 describes an aspect of the structural format of the Complaint and does not contain any factual
12
13 or legal allegation that requires an answer.

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15 81. Answering paragraph 78, the first sentence of paragraph 78 states legal
16
17 opinions or conclusions for which an answer is inappropriate and is therefore denied.
18
19 Cascade neither admits nor denies the remainder of paragraph 78, which does not contain any
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21 factual or legal allegations that require an answer. To the extent an answer is required to
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23 paragraph 78, Cascade denies the same.

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25 82. Cascade neither admits nor denies paragraph 79, which does not contain any
26
27 factual or legal allegations that require an answer. To the extent an answer is required to
28
29 paragraph 79, Cascade denies the same.

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31 **7. Seventh Cause of Action (Plans and Procedures)**

32
33 **Aberdeen District [8]**

34
35 83. Answering paragraph 80, Cascade denies the allegations stated in
36
37 paragraph 80. Regarding customer notification, Cascade notifies customers within 90 days
38
39 of their responsibility for those service lines not maintained by the operator. Such
40
41 notification is performed for all accounts via a customer letter mailed to each service address.
42
43 Cascade provided Staff with an example of such letter. Notification is further monitored by
44
45 personnel who log the number of letters sent each day. Cascade provided Staff with a copy
46
47 of its 2009 log. Such notification is in full compliance with 49 C.F.R. § 192.16.

1 84. Further answering paragraph 80, with respect to updating the Manual,
2 Cascade has recently performed a company-wide audit of the contents of all procedures
3 manuals. All manuals were updated, if needed, and all procedure manuals are currently up to
4 date.
5
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7
8 85. Further answering paragraph 80, with respect to documentation of
9 underground leaks, Cascade is in the process of implementing changes to its document
10 management system, mapping systems, and company procedures to enhance and improve
11 documentation of underground leaks.
12
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14
15 86. Further answering paragraph 80, with respect to identifying the person
16 performing substructure damage/leak reports, Cascade has committed to re-training
17 personnel to completely fill out all reports.
18
19

20
21 87. Further answering paragraph 80, with respect to painting and coating a
22 regulator station, Cascade has corrected the alleged violation referenced in paragraph 80, and
23 Cascade's procedures currently call for appropriate painting.
24
25

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27 88. Further answering paragraph 80, with respect to addressing atmospheric
28 corrosion, Cascade has corrected the alleged violation referenced in paragraph 80, and
29 Cascade's procedures currently require appropriate corrosion and pitting remediation.
30
31

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33 89. Further answering paragraph 80, with respect to pipeline marker procedures,
34 pipeline marker maps are not specifically required by code. Further, while Cascade's
35 company procedure may be improved to clarify that personnel reviewed pipeline markers
36 during their survey, Cascade does not believe it has violated any rule or procedure regarding
37 pipeline markers. Nonetheless, Cascade has updated its company procedure and is in the
38 process of updating its maps with pipeline marker location information in an effort to further
39 clarify its pipeline marker locations.
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1 90. Further answering paragraph 80, with respect to regulator vent installations,
2 Cascade is in the process of correcting regulator vent orientations such that they comply with
3 Cascade's company procedures.
4

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6 91. Further answering paragraph 80, with respect to meter set installation, the
7 alleged violation referenced in paragraph 80 was an apparent anomaly, and Cascade has
8 corrected the error.
9

10
11 92. Further answering paragraph 80, with respect to pipeline markers noted on
12 patrol logs, while the violations alleged in paragraph 80 refer to Cascade's pipeline patrols,
13 the referenced examples list leak survey records. While Cascade believes there is no
14 violation of rule or procedure, Cascade intends to document the location of pipeline markers
15 on leak survey maps so that pipeline marker surveys may be performed in conjunction with
16 leak surveys.
17

18 93. Further answering paragraph 80, with respect to public awareness procedures,
19 Cascade will update company procedure 835 to reflect Cascade's improved Public Awareness
20 Program.
21

22 94. Answering paragraph 81, paragraph 81 states legal opinions or conclusions
23 for which an answer is inappropriate and is therefore denied. To the extent an answer is
24 required to paragraph 81, Cascade denies the same.
25

26 95. Cascade neither admits nor denies paragraph 82, which does not contain any
27 factual or legal allegations that require an answer.
28

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30 **Tri-Cities District [2.3, 2.4, 11.1, 11.2, 11.4, 11.7, 11.15, 11.19,**
31 **11.20, 11.22, 11.23]**
32

33 96. Answering paragraph 83, Cascade denies the allegation stated in the first
34 sentence of paragraph 83. Sniff test instrument calibration records show that all instruments
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36

1 used by employees during the specified period were calibrated as required by WAC 480-93-
2 015(4). Staff reviewed such calibration records during their inspection. Cascade neither
3 admits nor denies the second sentence of paragraph 83, which describes an aspect of the
4 structural format of the Complaint and does not contain any factual or legal allegation that
5 requires an answer.
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10 97. Answering paragraph 84, the first two sentences of paragraph 84 state legal
11 opinions or conclusions for which an answer is inappropriate and are therefore denied.
12 Cascade neither admits nor denies the last sentence of paragraph 84, which does not contain
13 any factual or legal allegations that require an answer. To the extent an answer is required to
14 paragraph 84, Cascade denies the same.
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20 98. Answering paragraph 85, Cascade admits that certain incongruities existed
21 from the 2007 Leak Survey for Section 5. Cascade investigated the anomalies and made
22 corrections, which were described in a letter response to Staff on October 2, 2009.
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27 99. Answering paragraph 86, the first two sentences of paragraph 86 state legal
28 opinions or conclusions for which an answer is inappropriate and are therefore denied.
29 Cascade neither admits nor denies the last sentence of paragraph 86, which does not contain
30 any factual or legal allegations that require an answer.
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35 100. Answering paragraph 87, Cascade admits the allegations stated in the first
36 sentence of paragraph 87. Cascade denies the allegations stated in the second sentence of
37 paragraph 87. Cascade's CP 760.09 includes requirements for visual inspection of welds.
38 This update was completed prior to September 1, 2007. The procedure was updated again on
39 May 2, 2008.
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44 101. Answering paragraph 88, the first sentence of paragraph 88 states legal
45 opinions or conclusions for which an answer is inappropriate and is therefore denied.
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1 Cascade neither admits nor denies the last sentence of paragraph 88, which does not contain
2 any factual or legal allegations that require an answer. To the extent an answer is required to
3 paragraph 88, Cascade denies the same.
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7 102. Answering paragraph 89, Cascade denies the allegations in the first sentence
8 of paragraph 89. Cascade neither admits nor denies the second sentence of paragraph 89,
9 which describes an aspect of the structural format of the Complaint and does not contain any
10 factual or legal allegation that requires an answer. Cascade sent Staff copies of its manual in
11 a timely fashion. Cascade sent additional copies of these procedures on August 11, 2009.
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16 103. Answering paragraph 90, the first sentence of paragraph 90 states legal
17 opinions or conclusions for which an answer is inappropriate and is therefore denied.
18 Cascade neither admits nor denies the last sentence of paragraph 90, which does not contain
19 any factual or legal allegations that require an answer. To the extent an answer is required to
20 paragraph 90, Cascade denies the same.
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26 104. Answering paragraph 91, Cascade denies the allegations stated in
27 paragraph 91. Cascade updated Procedure No. 760 prior to September 1, 2007. The
28 procedure was updated again on May 2, 2008.
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33 105. Answering paragraph 92, the first sentence of paragraph 92 states legal
34 opinions or conclusions for which an answer is inappropriate and is therefore denied.
35 Cascade neither admits nor denies the last sentence of paragraph 92, which does not contain
36 any factual or legal allegations that require an answer. To the extent an answer is required to
37 paragraph 92, Cascade denies the same.
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43 106. Answering paragraph 93, Cascade admits the allegations stated in the first two
44 sentences on paragraph 93. Cascade neither admits nor denies the second sentence of
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1 paragraph 93, which describes an aspect of the structural format of the Complaint and does
2 not contain any factual or legal allegation that requires an answer.
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5 107. Further answering paragraph 93, item (b), as referenced in Attachment A to
6 the Complaint, was not completed until April 13, 2009. It was not required to be posted until
7 October 13, 2009. It is currently identified as completed. In general, the remainder of the
8 records (asbuilts) of the facilities referenced in paragraph 93 were available within six (6)
9 months, as required by WAC 480-93-018(5). However, they may not have been posted to
10 the operating maps within that time. As described above, Cascade is in the process of
11 converting its maps to an electronic/GIS format, which will greatly improve Cascade's
12 mapping accuracy.
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21 108. Answering paragraph 94, the first sentence of paragraph 94 states legal
22 opinions or conclusions for which an answer is inappropriate and is therefore denied.
23 Cascade neither admits nor denies the last sentence of paragraph 94, which does not contain
24 any factual or legal allegations that require an answer. To the extent an answer is required to
25 paragraph 94 Cascade denies the same.
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31 109. Answering paragraph 95, Cascade admits the allegations stated in the first and
32 second sentences of paragraph 95. Cascade provided a detailed response to Staff regarding
33 these allegations on October 2, 2009, which Cascade refers hereto. Cascade neither admits
34 nor denies the second sentence of paragraph 95, which describes an aspect of the structural
35 format of the Complaint and does not contain any factual or legal allegation that requires an
36 answer.
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43 110. Answering paragraph 96, the first sentence of paragraph 96 states legal
44 opinions or conclusions for which an answer is inappropriate and is therefore denied.
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1 Cascade neither admits nor denies the last sentence of paragraph 96, which does not contain
2 any factual or legal allegations that require an answer.
3

4
5 111. Answering paragraph 97, Cascade admits the allegations stated in the first
6 four sentences of paragraph 97. Cascade has committed to personnel training to properly
7 record accurate check dates for FI units. Cascade neither admits nor denies the fifth sentence
8 of paragraph 97, which describes an aspect of the structural format of the Complaint and
9 does not contain any factual or legal allegation that requires an answer.
10

11
12 112. Answering paragraph 98, the first sentence of paragraph 98 states legal
13 opinions or conclusions for which an answer is inappropriate and is therefore denied.
14 Cascade neither admits nor denies the last sentence of paragraph 98, which does not contain
15 any factual or legal allegations that require an answer.
16

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18 113. Answering paragraph 99, Cascade admits the allegations stated in
19 paragraph 99. Cascade has corrected the error.
20

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22 114. Answering paragraph 100, the first and second sentences of paragraph 100
23 states legal opinions or conclusions for which an answer is inappropriate and is therefore
24 denied. Cascade neither admits nor denies the last sentence of paragraph 100, which does
25 not contain any factual or legal allegations that require an answer.
26

27
28 115. Answering paragraph 101, Cascade admits the allegations stated in
29 paragraph 101. Cascade has corrected these errors. Further, Cascade is in the process of
30 implementing corrections and improvements to its company procedures and mapping
31 systems in order to enhance overall recordkeeping compliance.
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34 116. Answering paragraph 102, the first sentence of paragraph 102 states legal
35 opinions or conclusions for which an answer is inappropriate and is therefore denied.
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1 Cascade neither admits nor denies the last sentence of paragraph 102, which does not contain
2 any factual or legal allegations that require an answer.
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5 117. Answering paragraph 103, Cascade admits the allegation stated in the first
6 sentence of paragraph 103. Cascade denies the allegation stated in the second sentence of
7 paragraph 103. Employees did not record the action taken for these items; however, Cascade
8 revisited each location, identified any problem, and took corrective action. Cascade
9 informed Staff of these actions on October 2, 2009.
10

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12 118. Answering paragraph 104, the first sentence of paragraph 104 states legal
13 opinions or conclusions for which an answer is inappropriate and is therefore denied.
14 Cascade neither admits nor denies the last sentence of paragraph 104, which does not contain
15 any factual or legal allegations that require an answer. To the extent an answer is required to
16 paragraph 104, Cascade denies the same.
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19 119. Cascade neither admits nor denies paragraph 105, which does not contain any
20 factual or legal allegations that require an answer. To the extent an answer is required to
21 paragraph 105, Cascade denies the same.
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31 **8. Eighth Cause of Action (Public Awareness)**

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33 120. Answering paragraph 106, Cascade denies the allegations stated in
34 paragraph 106. Cascade currently maintains information regarding Cascade's public
35 awareness program for the Kitsap District, and it had such information at the time of Staff's
36 inspection. As stated in paragraph 63, above, the allegations referenced in the Complaint
37 that refer to Kitsap District are a result of Staff's audit performed during November 2009 in
38 Docket No. PG-090003. However, Staff did not provide Cascade with the results of the audit
39 until almost one year after the audit, in September 2010. By letter dated September 8, 2010,
40 Staff stated that it was closing the docket and, "We have decided not to conduct additional
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1 enforcement action at this time due to the extreme time lag in issuing this findings letter."

2
3 Accordingly, while Cascade was able and willing to provide such information, Cascade was
4 instructed that such information was no longer required for the audit.
5

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7 121. Answering paragraph 107, the first sentence of paragraph 107 states legal
8 opinions or conclusions for which an answer is inappropriate and is therefore denied.
9

10 Cascade neither admits nor denies the last sentence of paragraph 107, which does not contain
11 any factual or legal allegations that require an answer. To the extent an answer is required to
12 paragraph 107, Cascade denies the same.
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17 **Wenatchee/Moses Lake District [4]**
18

19 122. Answering paragraph 108, Cascade admits the allegations stated in the first
20 sentence of paragraph 108. Cascade denies the allegations stated in the second sentence of
21 paragraph 108. Cascade completed the evaluation of the effectiveness of its public
22 awareness program prior to June 20, 2010. At the time of Staff's inspection on July 6-8,
23 2010, Cascade advised Staff that Cascade's surveys of effectiveness had been completed.
24 Additionally, Cascade provided Staff with documentation of Cascade's evaluations of its
25 public awareness program, including electronic links to completed public surveys for
26 excavators, public officials and emergency responders. Further, Cascade offered to send
27 Staff a hard copy of such documentation, but Staff declined the offer.
28
29

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31 123. Answering paragraph 109, the first sentence of paragraph 109 states legal
32 opinions or conclusions for which an answer is inappropriate and is therefore denied.
33
34 Cascade admits the second sentence of paragraph 109. Cascade denies the allegation stated
35 in the third sentence of paragraph 109. Cascade neither admits nor denies the last sentence
36 of paragraph 109, which does not contain any factual or legal allegations that require an
37 answer. To the extent an answer is required to paragraph 109, Cascade denies the same.
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1 124. Cascade neither admits nor denies paragraph 110, which does not contain any
2 factual or legal allegations that require an answer. To the extent an answer is required to
3 paragraph 110, Cascade denies the same.
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7 **9. Ninth Cause of Action (Records)**

8
9 **Kitsap District [2.2, 2.3, 2.4]**

10
11 125. Answering paragraph 111, Cascade admits the allegations stated in
12 paragraph 111. Cascade has implemented numerous changes such as a standardized filing
13 system, an on-line data entry and tracking system, and additional staff for quality control
14 monitoring. These changes have improved, and will continue to improve, recordkeeping
15 procedures system-wide.
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19 126. Answering paragraph 112, the first sentence of paragraph 112 states legal
20 opinions or conclusions for which an answer is inappropriate and is therefore denied.
21 Cascade neither admits nor denies the last sentence of paragraph 112, which does not contain
22 any factual or legal allegations that require an answer.
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26 127. Answering paragraph 113, Cascade admits the allegations stated in
27 paragraph 113. Cascade has implemented changes, which have, and will continue to improve
28 recordkeeping procedures system-wide. As stated earlier in this Answer, Cascade is
29 currently in the process of implementing a transition from paper maps to an electronic/GIS
30 mapping system. Such transition is a significant and time-consuming process, but will
31 provide vast improvements to Cascade's recordkeeping and mapping capabilities and
32 regulatory compliance.
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36 128. Answering paragraph 114, the first sentence of paragraph 114 states legal
37 opinions or conclusions for which an answer is inappropriate and is therefore denied.
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1 Cascade neither admits nor denies the last sentence of paragraph 114, which does not contain
2 any factual or legal allegations that require an answer.
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4
5 **Aberdeen District [2]**
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7 129. Answering paragraph 115, Cascade denies the allegations stated in the first
8 sentence of paragraph 115. Cascade neither admits nor denies the second sentence of
9 paragraph 115, which describes an aspect of the structural format of the Complaint and does
10 not contain any factual or legal allegation that requires an answer. Records of construction
11 activities are maintained in the local operations office. Such records are available to
12 operating personnel within six (6) months of the construction activity, pursuant to WAC 480-
13 93-018. While Cascade believes that the allegations in paragraph 115 and Attachment A
14 appear to expand the obligations required by regulation, Cascade will provide updated maps
15 to field personnel.
16

17 130. Answering paragraph 116, the first sentence of paragraph 116 states legal
18 opinions or conclusions for which an answer is inappropriate and is therefore denied.
19 Cascade neither admits nor denies the last sentence of paragraph 116, which does not contain
20 any factual or legal allegations that require an answer. To the extent an answer is required to
21 paragraph 116, Cascade denies the same.
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25 **Tri-Cities District [2.1, 3.1, 3.2, 29.1]**
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27 131. Answering paragraph 117, Cascade admits the allegations stated in
28 paragraph 117. As stated above, Cascade is in the process of transitioning from physical
29 maps to an electronic/GIS mapping system. This transition, while a lengthy process, will
30 improve Cascade's mapping systems and recordkeeping procedures.
31

32 132. Answering paragraph 118, the first sentence of paragraph 118 states legal
33 opinions or conclusions for which an answer is inappropriate and is therefore denied.
34

1 Cascade neither admits nor denies the last sentence of paragraph 118, which does not contain
2 any factual or legal allegations that require an answer.
3

4
5 133. Answering paragraph 119, Cascade denies the allegations stated in
6 paragraph 119. Survey records showing pipeline marker placement were used by employees
7 before June 5, 2007. These records were difficult to find during the inspection, and Cascade
8 was unable to provide them to Staff in the field. However, these records have been located,
9 and are available for Staff review. As stated above, Cascade is in the process of transitioning
10 from physical maps to an electronic/GIS mapping system. This transition, while a lengthy
11 process, will improve Cascade's mapping systems and recordkeeping procedures.
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18 134. Answering paragraph 120, the first sentence of paragraph 120 states legal
19 opinions or conclusions for which an answer is inappropriate and is therefore denied.
20
21 Cascade neither admits nor denies the last sentence of paragraph 120, which does not contain
22 any factual or legal allegations that require an answer. To the extent an answer is required to
23 paragraph 120, Cascade denies the same.
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29 135. Cascade neither admits nor denies paragraph 121, which does not contain any
30 factual or legal allegations that require an answer. To the extent an answer is required to
31 paragraph 121, Cascade denies the same.
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34
35 **10. Tenth Cause of Action (Recordkeeping)**

36
37 **Aberdeen District [25]**

38
39 136. Answering paragraph 122, Cascade denies the allegations stated in
40 paragraph 122. While Cascade was unable to provide Staff the documents upon request in
41 the field, Cascade nonetheless maintains records that include such identifying information.
42 Such qualification records are available upon request.
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1 137. Answering paragraph 123, the first sentence of paragraph 123 states legal
2 opinions or conclusions for which an answer is inappropriate and is therefore denied.
3

4 Cascade neither admits nor denies the last sentence of paragraph 123, which does not contain
5 any factual or legal allegations that require an answer. To the extent an answer is required to
6 paragraph 123, Cascade denies the same.
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10 138. Cascade neither admits nor denies paragraph 124, which does not contain any
11 factual or legal allegations that require an answer. To the extent an answer is required to
12 paragraph 138, Cascade denies the same.
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16 **11. Eleventh Cause of Action (Periodic Review for Effectiveness)**

17 **Tri-Cities District [30]**

18
19 139. Answering paragraph 125, Cascade denies the allegations stated in
20 paragraph 125 and the implication that the allegations constitute a violation of 49 C.F.R. §
21 192.605(b)(8). Rather than requiring the review of work done by gas safety personnel,
22 49 C.F.R. § 192.605(b)(8) requires that gas utilities maintain a procedures manual that must
23 include, if applicable, procedures for reviewing the work done by its gas safety personnel.
24
25 The regulation requires operators to perform evaluations of written procedures for their
26 effective and adequate performance, and modify the procedure when deficiencies are found.
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34 140. Answering paragraph 126, paragraph 126 states legal opinions or conclusions
35 for which an answer is inappropriate and is therefore denied. To the extent an answer is
36 required to paragraph 126, Cascade denies the same.
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41 141. Cascade neither admits nor denies paragraph 127, which does not contain any
42 factual or legal allegations that require an answer. To the extent an answer is required to
43 paragraph 58, Cascade denies the same.
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1 142. Paragraphs 128-130 of the Complaint state legal opinions or conclusions or
2 describe procedural matters for the conduct of the hearing into this matter that do not require
3 an answer. Thus, Cascade neither admits nor denies paragraphs 128-130 of the Complaint.
4 Generally, Cascade denies that the Commission should impose penalties on Cascade. If the
5 Commission determines that penalties should be imposed, the amount of the penalty should
6 reflect Cascade's cooperation and assistance with Staff's inspections and good faith response
7 in correcting issues and attempting to achieve compliance after being made aware of
8 potential compliance issues more than a year ago. Further, Cascade has initiated numerous
9 self-audits, and has initiated both short-term and long-term system-wide improvements.
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18 **DEFENSES AND AFFIRMATIVE DEFENSES**
19

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21 143. Cascade is responsible for the construction and maintenance of an extensive
22 natural gas pipeline system and has numerous programs and procedures in place to seek to
23 ensure that its system is safe. Cascade believes its system is safe. After learning of the
24 alleged violations from Commission Staff, Cascade acted in good faith and immediately
25 cooperated with Commission Staff's investigations and conducted its own investigations and
26 inspections. As a result, Cascade has put in place, and continues to put in place, additional
27 measures to promote compliance
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34 144. Some of the violations alleged are barred by the statute of limitations.
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36 145. Certain alleged violations are inappropriately classified as a "continuing
37 violation."
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40 146. The doctrines of waiver, estoppel and/or laches preclude the imposition of
41 penalties for certain of the alleged violations.
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DATED: April 11, 2011.

PERKINS COIE LLP

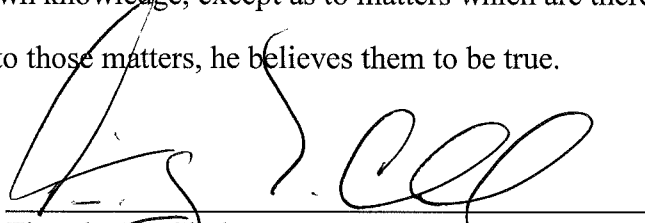
By 
Sheree Strom Carson, WSBA # 25349
Donna Barnett, WSBA # 36794
Attorneys for Respondent Cascade Natural Gas
Corporation

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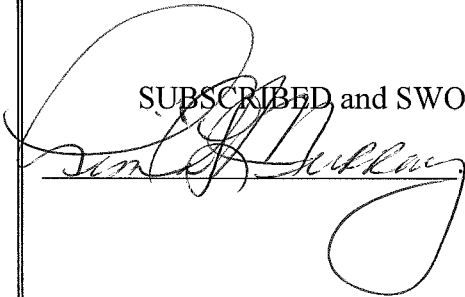
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STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

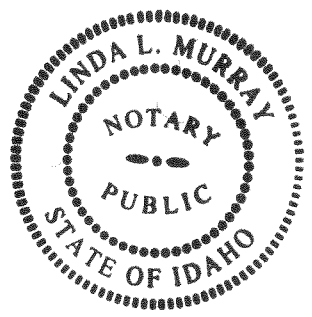
Timothy M. Clark, being first duly sworn, deposes and says that he is the Vice President of Operations for Cascade Natural Gas Corporation; that he has read the foregoing Answer of Cascade Natural Gas Corporation and knows the contents thereof; that the facts set forth therein are true based on his own knowledge, except as to matters which are therein stated on information or belief, and as to those matters, he believes them to be true.



Timothy M. Clark



SUBSCRIBED and SWORN to before me this 11 day of April, 2011, by



Print Name: Linda L. Murray
Notary Public in and for the State of Idaho,
residing at 8320 Sweet Apple Street ID
My commission expires: Sept. 23, 2014