

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

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| In the Matter of the Petition of |) | |
| |) | DOCKET PG-120452 |
| CASCADE NATURAL GAS |) | |
| CORPORATION, |) | ORDER 01 |
| |) | |
| Petitioner, |) | |
| |) | |
| Seeking Authorization to Operate a |) | |
| Regulator Facility with a Maximum |) | |
| Allowable Operating Pressure Greater |) | |
| Than 500 PSIG and a Pipeline Facility |) | |
| With a Maximum Allowable Operating |) | |
| Pressure Greater Than 250 PSIG and up |) | ORDER GRANTING PETITION |
| to 500 PSIG Pursuant to WAC 480-93- |) | |
| 020 |) | |
| |) | |

BACKGROUND

- 1 On October 5, 2012, Cascade Natural Gas Corporation (CNG or Company) filed with the Washington Utilities and Transportation Commission (Commission) a petition requesting Commission approval to install and operate a new regulator facility at greater than 500 pounds per square inch gauge (psig) and a pipeline facility at greater than 250 psig and up to 500 psig. The operation of these two facilities will include an uprate of 12,800 feet of existing 6-inch pipeline currently operating at a maximum allowable operating pressure (MAOP) of 250 psig.
- 2 A gas pipeline company must have permission from the Commission to operate a pipeline at greater than 500 psig within 500 feet of buildings intended for human occupancy as described in WAC 480-93-020 and a pipeline at greater than 250 psig and up to 500 psig within 100 feet of buildings intended for human occupancy as described in WAC 480-93-020.
- 3 CNG proposes to install and operate a new regulator station at the tap off of Williams Pipeline located on Beaver Lake Rd., which is located in Skagit County near Mount Vernon. The proposed regulator station would regulate pressure from a MAOP of 960 psig to a MAOP of 400 psig. An existing 6-inch pipeline, approximately 12,800 feet in length, and operating at a MAOP of 250 psig will then be uprated to a MAOP of 400 psig. Currently, there is not enough capacity serving the growing communities in and around the City of Mount Vernon and the increased capacity of the new regulator station

and the uprated pipeline will alleviate future capacity restrictions during peak load demand.

- 4 CNG has identified 14 such structures that are within 100 feet of the proposed pipeline and regulator station.
- 5 The Company has contacted residents along the pipeline right-of-way and informed them of the uprate and additional information required by federal public awareness rules CFR Title 49, Part 192.616.
- 6 Commission staff reviewed the request and recommended the Commission grant the petition subject to the following condition(s):
 - (a) CNG will re-locate the existing odorizer located on Beaver Lake Rd, upstream approximately 500 feet to the same location as the new regulator station at the Williams tap.
 - (b) CNG will construct the new segment of 6-inch pipeline to transmission standards including the use of full radius bends and full open valves to provide for the use of in-line inspection equipment.
 - (c) All circumferential welds (100 percent) on the new segment of 6-inch pipeline will be nondestructively tested (NDT) by radiograph. All other welds (100 percent) on the new segment will be nondestructively tested according to Title 49, CFR, Part 192.243 and shall meet the standards set forth in Section 9 of API Standard 1104. (Incorporated by reference, see §192.7).
 - (d) CNG will leak survey the pipeline prior to the uprate and repair any leaks found prior to raising the pressure in incremental steps.
 - (e) Any leaks found during leak surveys conducted between incremental pressure increases will be repaired prior to proceeding to the next incremental pressure increase.
 - (f) CNG will conduct a coating survey using electronic holiday detection equipment for the new segment of 6-inch pipeline.

- (g) CNG will survey the right-of-way along the pipeline and replace any required pipeline markers.
- (h) CNG will have all required procedures on site during construction and uprating.
- (i) CNG will notify Commission pipeline safety staff 48 hours before commencing construction and 48 hours before commencing the actual uprate.
- (j) CNG will follow the uprate procedure detailed in the Cascade Natural Gas Corporation Mount Vernon Uprate Procedure filed October 5, 2012, with the Commission. If there are any changes to the procedure, the Commission shall receive a copy of the procedure update at least 5 business days before the uprate can proceed.

FINDINGS AND CONCLUSIONS

- 7 (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. RCW 81.88.040 and RCW 81.88.065.
- 8 (2) CNG is a gas pipeline company and subject to Commission jurisdiction.
- 9 (3) The Commission has adopted the Code of Federal Regulation, Title 49, Part 192 and 480-93 of the Washington Administrative Code as the minimum standards for natural gas pipeline construction. Pursuant to these standards, gas pipelines are designed to withstand higher pressure than the MAOP prescribed by these rules. Gas pipeline safety rules specify that pipelines in a low population area (Class 1 Location) must be operated at pressures producing a hoop stress of no greater than 72 percent of the specified minimum yield strength (SMYS) of the pipe.
- 10 (4) Justification for approval of this proximity rule is based on the following reasons:
 - (a) The maximum hoop stress of the uprated 6-inch pipeline will be 16.8 percent which provides an additional level of safety.
 - (b) The 6-inch pipeline, which the Company installed in 1989, has never experienced any leaks.

- (c) Company records demonstrate that the CNG has maintained good cathodic protection levels for the life of the pipeline.
 - (d) The pipeline is located in a rural area of mostly farms and pasture. (Class 1 Location).
 - (e) The uprate is necessary for the Company to meet peak demand supply into the Mount Vernon area.
 - (f) Other avenues of increasing supply would require the installation of high pressure pipelines in a more populous area.
 - (g) Staff has identified additional safety measures the Company must follow during the construction and uprate of this pipeline. (See paragraph 5 above).
- 11 (5) This matter came before the Commission at its regularly scheduled meeting on March 28, 2013.
- 12 (6) After reviewing CNG's petition and giving due consideration to all relevant matters and for good cause shown, the Commission finds it is consistent with the public interest to conditionally grant CNG's request to operate a regulator facility with a MAOP greater than 500 psig and a pipeline facility with a MAOP greater than 250 psig and up to 500 psig subject to the conditions listed in paragraph #6, above.

ORDER

THE COMMISSION ORDERS:

- 13 (1) After the effective date of this Order, the petition of Cascade Natural Gas Corporation for authorization to operate a regulator facility with a MAOP greater than 500 psig and a pipeline facility with a MAOP greater than 250 psig and up to 500 psig is granted.
- 14 (2) This authorization is conditioned on Cascade Natural Gas Corporation meeting the following, which exceed the minimum regulatory requirements:

- (a) Cascade Natural Gas Corporation will re-locate the existing odorizer located on Beaver Lake Rd., upstream approximately 500 feet to the same location as the new regulator station at the Williams tap.
- (b) Cascade Natural Gas Corporation will construct the new segment of 6-inch pipeline to transmission standards including the use of full radius bends and full open valves to provide for the use of in-line inspection equipment.
- (c) All circumferential welds (100 percent) on the new segment of 6-inch pipeline will be nondestructively tested (NDT) by radiograph. All other welds (100 percent) on the new segment will be nondestructively tested according to Title 49, CFR, Part 192.243 and shall meet the standards set forth in Section 9 of API Standard 1104. (Incorporated by reference, see §192.7).
- (d) Cascade Natural Gas Corporation will leak survey the pipeline prior to the uprate and repair any leaks found prior to raising the pressure in incremental steps.
- (e) Any leaks found during leak surveys conducted between incremental pressure increases will be repaired prior to proceeding to the next incremental pressure increase.
- (f) Cascade Natural Gas Corporation will conduct a coating survey using electronic holiday detection equipment for the new segment of 6-inch pipeline.
- (g) Cascade Natural Gas Corporation will survey the right-of-way along the pipeline and replace any required pipeline markers.
- (h) Cascade Natural Gas Corporation will have all required procedures on site during construction and uprating.
- (i) Cascade Natural Gas Corporation will notify Commission pipeline safety staff 48 hours before commencing construction and 48 hours before commencing the actual uprate.
- (j) Cascade Natural Gas Corporation will follow the uprate procedure detailed in the Cascade Natural Gas Corporation Mount Vernon Uprate Procedure filed October 5, 2012, with the Commission. If there are any changes to the

procedure, the Commission shall receive a copy of the procedure update at least 5 business days before the update can proceed.

DATED at Olympia, Washington, and effective March 28, 2013.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chairman

PHILLIP B. JONES, Commissioner

JEFFREY D. GOLTZ, Commissioner