BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION, Complainant, v. CASCADE NATURAL GAS CORPORATION, Respondent.	DOCKET PG-230800 CASCADE NATURAL GAS CORPORATION'S ANSWER

INTRODUCTION

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

Cascade Natural Gas Co.
8113 W. Grandridge Boulevard
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Attn: Ryan Privratsky

Cascade's representatives for purposes of this proceeding are:

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2 Cascade recognizes the Washington Utilities and Transportation Commission's ("Commission") important responsibilities in enforcing pipeline safety with respect to the companies it regulates. Cascade is committed to operational excellence, and the Company strives for full compliance with federal and state regulations.

3 The incident on September 22, 2023, involving Cascade's consultant and contractor, Sapphire Gas Solutions, LLC ("Sapphire"), and Sapphire's contractor, Southern Pines Trucking, ("Southern Pines"), which resulted in injuries and fatality, was an unfortunate event that Cascade takes seriously. Cascade is fully cooperating with Commission Staff's investigation.

4 Cascade retained Sapphire as a consultant and a contractor because Cascade does not regularly operate mobile liquefied natural gas ("LNG") systems. The individuals involved in the incident received safety training from either Sapphire or Southern Pines. Cascade is committed to reviewing its processes and procedures with its contractors and subcontractors to maintain system safety. Cascade is continuously looking for ways to improve its procedures and enhance pipeline safety.

5 With these fundamental principles in mind, Cascade answers the Complaint issued by the Commission on March 27, 2025 (the "Complaint") as stated below. To the extent Cascade does not explicitly admit any of the allegations in the Complaint below, Cascade denies those allegations.

ANSWER

6 Because paragraph 1 contains no legal or factual allegations, Cascade neither admits nor denies this paragraph.

I. OVERVIEW

7 Paragraph 2 states a legal opinion or conclusion for which an answer is inappropriate and is therefore denied.

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II. PARTIES

8 Answering paragraph 3, Cascade admits that the Commission is an agency of the state of Washington, authorized by Titles 80 and 81 to regulate public service companies, including gas companies.

9 Answering paragraph 4, Cascade admits it is a corporation that, among other things, owns and operates a system for transporting natural gas within the State of Washington. Cascade states it is a subsidiary of MDU Resources Group, Inc. Cascade admits that the Commission generally has jurisdiction over this matter pursuant to the provisions of RCW 80.28 and RCW 81.88. The remainder of paragraph 4 states a legal opinion or conclusion, which Cascade neither admits nor denies.

III. JURISDICTION

10 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 5 contains legal conclusions to which no answer is required.

IV. FACTUAL ALLEGATIONS

11 Answering paragraph 6, Cascade, a subsidiary of MDU Resources Group, Inc., admits it provides natural gas service in Washington some of which include gas systems acquired since Cascade started operating in Washington in 1953. Cascade further admits that in Docket PG-150120, the Commission directed Cascade to validate the maximum allowable operating pressure ("MAOP") on certain pipelines in its service territory, including validation of the pipelines supplying natural gas to the towns of Toppenish, Granger, Wapato, and Zillah, which are located in Yakima County, Washington. The remainder of paragraph 6 not explicitly addressed above states legal opinions or conclusions for which an answer is not necessary and is therefore denied.

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12 Answering paragraph 7, Cascade admits it was conducting MAOP validation pressure testing that required its consultant/contractor, Sapphire, to set-up mobile LNG sites for continuity of service. Cascade further admits its consultant/contractor Sapphire and Sapphire's subcontractors, like Southern Pines, operated the sites by trucking in LNG that was fed into Cascade's system to serve customers. Cascade further admits or otherwise agrees with the Complaint's description of LNG and natural gas.

13 Answering paragraph 8, Cascade admits it hired Sapphire as a consultant/contractor with expertise working with LNG, to provide LNG to Cascade's system and that Sapphire hired subcontractors to transport the LNG, including ATI Trucking and Southern Pines.

14 Answering paragraph 9, Cascade admits Sapphire provided mobile LNG to a site in Toppenish Washington, and Sapphire's subcontractors, including ATI Trucking and Southern Pines, delivered LNG to the site. Cascade further admits LNG deliveries began on or around July 30, 2023, to the Toppenish, Washington site.

15 Answering paragraph 10, Cascade admits LNG deliveries began on or around July 30, 2023, to the Toppenish, Washington site, and LNG equipment was in-service and providing LNG to Cascade's system starting on or around August 14, 2023.

16 Answering paragraph 11, Cascade admits a driver employed by Sapphire's subcontractor Southern Pines arrived at the Toppenish, Washington location with LNG the morning of September 22, 2023. Cascade further admits its consultant/contractor Sapphire had employees at the Toppenish, Washington location who assisted the Southern Pines employee with unloading and otherwise hooking up the LNG truck.

17 Answering paragraph 12, Cascade admits Sapphire and Southern Pines have a Master Transportation Agreement. Cascade states that the Master Transportation Agreement speaks for itself. Cascade further states Southern Pines' policies speaks for themselves and admits the

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policies generally require protective equipment. Cascade further states Exhibit E of the Master Transportation Agreement between Sapphire and Southern Pines requires drivers to wear or maintain protective equipment while entering any field facility or work area, including proper fire-retardant clothing. Cascade expects its contractors and subcontractors to provide proper protective equipment, and when Cascade's employees visited the Toppenish, Washington site, it observed technicians wearing the proper personal protective equipment ("PPE"). Upon information and belief, RP was provided with flame-retardant PPE, which was in his truck after the incident.

18 Answering paragraph 13, Cascade admits Sapphire employees were responsible for unloading LNG and based on information and belief, the Southern Pines employee remained in the truck cab and did not exit the truck cab to confirm that delivery was complete.

19 Answering paragraph 14, Cascade admits Sapphire employees would prepare and connect trucks that contained LNG. Cascade further admits in prior deliveries the trailer wheels were or should have been chocked. Cascade further admits, based on information and belief, a wheel chock was found on the trailer after the incident.

20 Answering paragraph 15, Cascade admits Sapphire would coordinate the loading and unloading of LNG with its subcontractors. Cascade further states a Sapphire employee normally collects paperwork from the driver of each truck at the beginning or end of the transfer. Cascade has insufficient information to admit or deny specific conversations or an employee's interpretation of those conversations as stated in paragraph 15, and therefore denies the same.

21 Answering paragraph 16, Cascade admits LNG transfers typically take one to two hours to complete. Cascade has insufficient information to admit or deny the occurrence of specific conversations and therefore denies those parts of paragraph 16. Cascade admits the Southern Pines driver identified in the Complaint claims to have driven the truck before the LNG transfer

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was complete and while the transfer hose was still attached. Cascade further states the truck had been at the site for approximately 40 minutes.

22 Answering paragraph 17, Cascade admits witnesses report observing vapor clouds at the site. Cascade further admits the Southern Pines driver identified in the Complaint exited the vehicle and, along with a Sapphire employee, initiated emergency shut down procedures. Cascade states the Southern Pines driver wore some protective equipment while the Sapphire employee also wore protective equipment, including fire-retardant clothing while initiating emergency shut down procedures. Cascade has insufficient information to admit or deny the remaining assertions in paragraph 17 and therefore denies the same.

23 Answering paragraph 18, Cascade admits Sapphire's procedures recommend employees do not enter vapor clouds. Cascade additionally states Sapphire's procedures recommend employees eliminate ignitions sources, shut down affected operations and isolate the incident or source, or evacuate personnel from the hazardous area and contact emergency services when the site is unsafe. Cascade further states based on information and belief, Sapphire employees evacuated the area and called emergency services and employees attempted emergency shut down procedures. Based on information and belief, Cascade further states that Sapphire and Southern Pines employees are provided safety programs.

24 Answering paragraph 19, Cascade admits a generator and on-site vaporizers were at the location of the incident and were in operation. Cascade has insufficient information to admit or deny the assertions that there was sufficient time to safely initiate the emergency shut down procedures without further jeopardizing the safety of Sapphire or Southern Pines employees, and therefore denies the remaining assertions in paragraph 19.

25 Answering paragraph 20, Cascade admits a vapor cloud ignited into a fire, nearby grass caught fire, equipment, and a vehicle on site also caught fire. Cascade further admits employees

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of Sapphire and Southern Pines were injured and one Sapphire employee died as a result of his injuries.

26 Answering paragraph 21, Cascade admits employees of Sapphire and Southern Pines were injured and one Sapphire employee died as a result of his injuries.

V. APPLICABLE LAW

27 Paragraph 22 states legal opinions and conclusions for which an answer is inappropriate and is therefore denied.

28 Paragraph 23 states legal opinions and conclusions for which an answer is inappropriate and is therefore denied.

29 Paragraph 24 states legal opinions and conclusions for which an answer is inappropriate and is therefore denied. The quoted statutes speak for themselves and no answer is required.

30 Paragraph 25 states legal opinions and conclusions for which an answer is inappropriate and is therefore denied.

VI. ALLEGED CLAIMS AND CAUSES OF ACTION

A. First Cause of Action (failure to notify Commission of use of portable LNG equipment)

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

32 Paragraph 27 states legal opinions and conclusions for which an answer is inappropriate and is therefore denied.

33 Paragraph 28 states legal opinions and conclusions for which an answer is inappropriate and is therefore denied. To the extent an answer is required to paragraph 28, Cascade denies the same. Cascade further notes that 49 C.F.R. § 193.2019 (a) states that short term applications do

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not need to meet the requirements of this part if the facilities are in compliance with applicable sections of NFPA-59A-2001.

34 Paragraph 29 states legal opinions and conclusions for which an answer is inappropriate and is therefore denied. To the extent an answer is required to paragraph 29, Cascade denies the same.

35 Answering paragraph 30, Cascade admits the Commission was not notified prior to the installation of mobile and temporary LNG facilities for service maintenance during gas pipeline systems repair/alteration, or for short term applications in Toppenish, Washington. The remainder of paragraph 30 contains legal opinions and conclusions for which an answer is inappropriate and is therefore denied.

36 Answering paragraph 31, Cascade admits the Commission was not notified prior to or during the use of mobile and temporary LNG facilities for service maintenance during gas pipeline systems repair/alteration, or for short term applications in Toppenish, Washington.

37 Paragraph 32 contains legal opinions and conclusions for which an answer is inappropriate and is therefore denied. Cascade further notes that 49 C.F.R. § 193.2019 (a) states that certain applications do not need to meet the requirements of this part if the facilities are in compliance with applicable sections of NFPA-59A-2001. Cascade further denies that 49 C.F.R. § 193.2019 (b) was violated on 54 occasions.

B. Second Cause of Action (starting truck during LNG transfer operations)

38 In response to paragraph 33, Cascade incorporates by reference its answers to paragraphs 1 through 32 of the Complaint as set forth above.

39 Paragraph 34 restates provisions of federal and Washington law and administrative codes, and contains legal conclusions to which no answer is required. To the extent an answer is

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required to paragraph 35, the referenced administrative codes speak for themselves and Cascade denies the same.

40 Paragraph 35 restates provisions of federal law and contains legal conclusions to which no answer is required. To the extent an answer is required to paragraph 35, the referenced administrative codes speak for themselves and Cascade denies the same.

41 Paragraph 36 restates provisions of federal law and contains legal conclusions to which no answer is required. To the extent an answer is required to paragraph 36, the referenced administrative codes speak for themselves and Cascade denies the same.

42 Paragraph 37 contains legal opinions and conclusions for which an answer is inappropriate and is therefore denied. Cascade further notes that 49 C.F.R. § 193.2019 (a) states that certain applications do not need to meet the requirements of this part if the facilities are in compliance with applicable sections of NFPA-59A-2001. Cascade states it understood the mobile LNG facility operation was in compliance with applicable law.

43 Paragraph 38 restates provisions of the NFPA-59A-2001 and contains legal conclusions to which no answer is required and is therefore denied.

44 Paragraph 39 restates provisions of the NFPA-59A-2001 and contains legal conclusions to which no answer is required and is therefore denied.

45 Paragraph 40 contains legal conclusions to which no answer is required and is therefore denied.

C. Third Cause of Action (failure to follow plans and procedures)

46 In response to paragraph 41, Cascade incorporates by reference its answers to paragraphs 1 through 40 of the Complaint as set forth above.

47 Paragraph 42 restates provisions of Washington law and contains legal conclusions to which no answer is required. If an answer is required, the referenced administrative code speaks

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for itself and Cascade denies the allegations to the extent they mischaracterize the referenced administrative code. Cascade further states that it has a plan and procedure manual that is specific to the Company's system. The use of mobile and temporary LNG facilities for service maintenance during gas pipeline systems repair/alteration, or for short term applications is not a typical or regular part of Cascade's system, and for this reason Cascade consulted and contracted with Sapphire for this service.

48 Paragraph 43 restates provisions of Washington law and contains legal conclusions to which no answer is required. If an answer is required, the referenced administrative code speaks for itself and Cascade denies the allegations to the extent they mischaracterize the referenced administrative code.

49 Paragraph 44 contains legal conclusions to which no answer is required and is therefore denied. Cascade's plan and procedure manual is specific to the gas pipeline company's system as required by WAC 480-93-180. Operation of LNG equipment is not typical to Cascade's operations. Cascade hired Sapphire as a consultant and contractor and adopted Sapphire's plan and procedure manual for the operation of LNG equipment. Sapphire, not Cascade, operated the LNG equipment.

50 Paragraph 45 contains legal conclusions to which no answer is required and is therefore denied. Cascade denies the allegation that it did not have a required gas pipeline plan and procedure manual. Cascade maintained a plan and procedure manual and also relied on Sapphire's plan and procedure manual for the purpose of operating LNG equipment.

D. Fourth Cause of Action (failure to follow plans and procedures)

51 In response to paragraph 46, Cascade incorporates by reference its answers to paragraphs 1 through 45 of the Complaint as set forth above.

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52 Paragraph 47 restates provisions of Washington law and contains legal conclusions to which no answer is required. If an answer is required, the referenced administrative code speaks for itself and Cascade denies the allegations to the extent they mischaracterize the referenced administrative code.

53 Paragraph 48 restates provisions of Washington law and contains legal conclusions to which no answer is required. If an answer is required, the referenced administrative code speaks for itself and Cascade denies the allegations to the extent they mischaracterize the referenced administrative code.

54 Answering paragraph 49, Cascade admits that it did not reference or include plans and procedures used by contractor Sapphire or subcontractor Southern in Cascade's manual. Cascade relied on the manuals used by Sapphire and Southern despite its lack of formal incorporation of those plans and procedures in its own manual and expects that contractors follow the plans and procedures contained in their own manuals. Further, Southern was a subcontractor hired only for the purposes of hauling, operations which may not be covered by the cited statutes and codes.

55 Paragraph 50 contains legal conclusions to which no answer is required and is therefore denied.

E. Fifth Cause of Action (failure to follow plans and procedures)

56 In response to paragraph 51, Cascade incorporates by reference its answers to paragraphs 1 through 50 of the Complaint as set forth above.

57 Paragraph 52 restates provisions of Washington law and contains legal conclusions to which no answer is required. If an answer is required, the referenced administrative code speaks for itself and Cascade denies the allegations to the extent they mischaracterize the referenced administrative code.

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58 In response to paragraph 53, Cascade admits that Sapphire's policies and procedures contained safety procedures for dealing with an LNG leak.

59 In response to paragraph 54, Cascade admits that Sapphire's policies and procedures advised employees to seek out and eliminate ignition sources for the purposes of preventing damage in the event of an LNG leak.

60 Paragraph 55 contains legal conclusions to which no answer is required and is therefore denied.

F. Sixth Cause of Action (failure to file manual with the commission)

61 In response to paragraph 56, Cascade incorporates by reference its answers to paragraphs 1 through 55 of the Complaint as set forth above.

62 Paragraph 57 restates provisions of Washington law and contains legal conclusions to which no answer is required. If an answer is required, the referenced administrative code speaks for itself and Cascade denies the allegations to the extent they mischaracterize the referenced administrative code. Cascade further states that it frequently files updates to Cascade's procedure manual.

63 Answering paragraph 58, Cascade admits its contractor Sapphire began operating mobile and temporary LNG facilities for service maintenance during gas pipeline systems repair/alteration, or for short term applications in Toppenish, Washington on or around August 14, 2023.

64 Answering paragraph 59, Cascade denies the allegation that it did not file a pipeline and procedure manual with the Commission at any point prior to the operation of the Toppenish LNG site. Cascade frequently files updates to its procedure manual with the Commission.

65 Paragraph 60 contains legal conclusions to which no answer is required and is therefore denied.

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G. Seventh Cause of Action (failure to follow plans and procedures)

66 In response to paragraph 61, Cascade incorporates by reference its answers to paragraphs 1 through 60 of the Complaint as set forth above.

67 Paragraph 62 restates provisions of Washington law and contains legal conclusions to which no answer is required. If an answer is required, the referenced administrative code speaks for itself and Cascade denies the allegations to the extent they mischaracterize the referenced administrative code.

68 Cascade admits paragraph 63. Sapphire's policies and procedures contained detailed requirements for PPE and flame-resistant clothing. Sapphire's Master Transportation Agreement with Southern also required PPE and flame-resistant clothing for all drivers. Sapphire's policies and procedures were designed to protect the safety of employees handling LNG but not unpreventable employee misconduct.

69 Cascade admits paragraph 64.

70 Answering paragraph 65, Cascade admits that RP was a Southern Pines employee who delivered LNG gas on September 22, 2023, that RP left the cab of his truck and initiated ESD procedures to stop the flow of LNG from the transfer truck when it detached from the queen trailer.

71 Answering paragraph 66, Cascade lacks sufficient information to admit or deny the allegations contained therein. Based on information and belief, RP was equipped with PPE.

72 Paragraph 67 contains legal conclusions to which no answer is required and is therefore denied.

H. Eighth Cause of Action (failure to chock wheels per NFPA requirements)

73 In response to paragraph 68, Cascade incorporates by reference its answers to paragraphs 1 through 67 of the Complaint as set forth above.

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74 Paragraph 69 restates provisions of Washington law and contains legal conclusions to which no answer is required. If an answer is required, the referenced administrative codes speak for themselves and Cascade denies the allegations to the extent they mischaracterize the referenced administrative codes.

75 Paragraph 70 restates provisions of federal law and contains legal conclusions to which no answer is required. If an answer is required, the referenced administrative codes speaks for itself and Cascade denies the allegations to the extent they mischaracterize the referenced administrative code.

76 Paragraph 71 restates provisions of federal law and contains legal conclusions to which no answer is required. If an answer is required, the referenced administrative code speaks for itself and Cascade denies the allegations to the extent they mischaracterize the referenced administrative code.

77 Paragraph 72 contains legal conclusions to which no answer is required and is therefore denied.

78 Paragraph 73 restates provisions of NFPA-59A-2001 and contains legal conclusions to which no answer is required. If an answer is required, the referenced document speaks for itself and Cascade denies the allegations to the extent they mischaracterize the referenced document.

79 Paragraph 74 restates provisions of NFPA-59A-2001 and contains legal conclusions to which no answer is required. If an answer is required, the referenced document speaks for itself and Cascade denies the allegations to the extent they mischaracterize the referenced document.

80 Answering paragraph 75, Cascade admits a wheel chock was found on the trailer after the incident. To the extent any allegations in paragraph 75 are not explicitly admitted, Cascade lacks sufficient information to admit or deny the remaining allegations contained therein and therefore denies the same.

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81 Paragraph 76 contains legal conclusions to which no answer is required and is therefore denied.

I. Ninth Cause of Action (failure to chock wheels per manual)

82 In response to paragraph 77, Cascade incorporates by reference its answers to paragraphs 1 through 76 of the Complaint as set forth above.

83 Paragraph 78 restates provisions of Washington law and contains legal conclusions to which no answer is required. If an answer is required, the referenced administrative rule speaks for itself and Cascade denies the allegations to the extent they mischaracterize the referenced administrative rule.

84 Cascade admits paragraph 79 that Sapphire's policies and procedures contained detailed requirements requiring tires to be chocked during loading and unloading.

85 Answering paragraph 80, Cascade admits a wheel chock was found on the trailer after the incident. To the extent any allegations in paragraph 80 are not explicitly admitted, Cascade lacks sufficient information to admit or deny the remaining allegations contained therein and therefore denies the same.

86 Paragraph 81 contains legal conclusions to which no answer is required and is therefore denied.

J. Tenth Cause of Action (failure to follow plans and procedures)

87 In response to paragraph 82, Cascade incorporates by reference its answers to paragraphs 1 through 81 of the Complaint as set forth above.

88 Paragraph 83 restates provisions of Washington law and contains legal conclusions to which no answer is required. If an answer is required, the referenced administrative rule speaks for itself and Cascade denies the allegations to the extent they mischaracterize the referenced administrative rule.

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89 Cascade admits paragraph 84 in that Sapphire's policies and procedures contained detailed requirements outlining ESD response and emphasizing worker safety and evacuation in the case of an LNG vapor cloud.

90 Answering paragraph 85, Cascade lacks sufficient information to admit or deny the allegations contained therein and therefore denies the same.

91 Paragraph 86 contains legal conclusions to which no answer is required and is therefore denied.

VII. STAFF'S REQUEST FOR RELIEF

92 Paragraph 87 contains legal conclusions or allegations to which no answer is required. If an answer is required, the referenced statutes/administrative rules speak for themselves and Cascade denies the allegations to the extent they mischaracterize the referenced statutes/administrative rules.

93 Paragraph 88 contains legal conclusions or allegations to which no answer is required. If an answer is required, the referenced statutes/administrative rules speak for themselves and Cascade denies the allegations to the extent they mischaracterize the referenced statutes/administrative rules.

94 Paragraph 89 contains legal conclusions or allegations to which no answer is required. If an answer is required, the referenced statutes/administrative rules speak for themselves and Cascade denies the allegations to the extent they mischaracterize the referenced statutes/administrative rules.

95 Paragraph 90 contains legal conclusions and requests to which no answer is required and is therefore denied. Cascade denies that 54 violations occurred. To the extent the Commission determines penalties should be imposed, which Cascade opposes, imposition of the maximum penalty would be inconsistent with Commission policy in Docket A-120061.

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96 Paragraph 91 contains legal conclusions and requests to which no answer is required and is therefore denied. To the extent the Commission determines penalties should be imposed, which Cascade opposes, imposition of the maximum penalty would be inconsistent with Commission policy in Docket A-120061.

97 Paragraph 92 contains legal conclusions and requests to which no answer is required and is therefore denied. To the extent the Commission determines penalties should be imposed, which Cascade opposes, imposition of the maximum penalty would be inconsistent with Commission policy in Docket A-120061.

98 Paragraph 93 contains legal conclusions and requests to which no answer is required and is therefore denied. To the extent the Commission determines penalties should be imposed, which Cascade opposes, imposition of the maximum penalty would be inconsistent with Commission policy in Docket A-120061.

99 Paragraph 94 contains legal conclusions and requests to which no answer is required and is therefore denied. To the extent the Commission determines penalties should be imposed, which Cascade opposes, imposition of the maximum penalty would be inconsistent with Commission policy in Docket A-120061.

100 Paragraph 95 contains legal conclusions and requests to which no answer is required and is therefore denied. To the extent the Commission determines penalties should be imposed, which Cascade opposes, imposition of the maximum penalty would be inconsistent with Commission policy in Docket A-120061.

101 Paragraph 96 contains legal conclusions and requests to which no answer is required and is therefore denied. Cascade further asserts that workers were equipped with PPE. To the extent the Commission determines penalties should be imposed, which Cascade opposes, imposition of the maximum penalty would be inconsistent with Commission policy in Docket A-120061.

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102 Paragraph 97 contains legal conclusions and requests to which no answer is required and is therefore denied. To the extent the Commission determines penalties should be imposed, which Cascade opposes, imposition of the maximum penalty would be inconsistent with Commission policy in Docket A-120061.

103 Paragraph 98 contains legal conclusions and requests to which no answer is required and is therefore denied. To the extent the Commission determines penalties should be imposed, which Cascade opposes, imposition of the maximum penalty would be inconsistent with Commission policy in Docket A-120061.

104 Paragraph 99 contains legal conclusions and requests to which no answer is required and is therefore denied. To the extent the Commission determines penalties should be imposed, which Cascade opposes, imposition of the maximum penalty would be inconsistent with Commission policy in Docket A-120061.

VIII. PROBABLE CAUSE

105 Paragraph 100 contains no legal or factual allegations, Cascade neither admits nor denies this paragraph.

IX. NOTICE OF PREHEARING CONFERENCE

106 Paragraphs 101 through 107 contains no legal or factual allegations, Cascade neither admits nor denies these paragraphs.

DEFENSES AND AFFIRMATIVE DEFENSES

107 Cascade is committed to operational excellence and compliance with federal and state statutes and administrative rules. The safety of Cascade's natural gas system is a top priority for the company. Cascade has taken action, and will continue to take action, to provide a high level of safety on its natural gas system, and to avoid LNG releases in the future in the event mobile LNG is needed to operate its system. From Cascade's perspective, the events that led to this

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unfortunate incident were unexpected, abnormal, and caused by the unauthorized actions of employees of Cascade's consultant and its subcontractor.

108 Cascade does not regularly operate mobile LNG systems and for this reason, Cascade retained Sapphire as a consultant and contractor with experience working with mobile LNG. Cascade expected that Sapphire would ensure compliance with its agreement, policies, procedures, and all applicable state and federal law.

109 The alleged 54 violations for failure to notify the Commission of use of portable LNG equipment are excessive and inconsistent with the facts and law. Imposition of penalties requested in the Complaint is inconsistent with the Commission's Enforcement Policy in Docket A-120061.

110 The penalties requested by Staff are duplicative and inconsistent with the Commission's Enforcement Policy in Docket A-120061.

DATED: April 16, 2025

Respectfully Submitted,

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