



STATE OF WASHINGTON

UTILITIES AND TRANSPORTATION COMMISSION

1300 S. Evergreen Park Dr. S.W., P.O. Box 47250 • Olympia, Washington 98504-7250

(360) 664-1160 • TTY (360) 586-8203

Sent via Email and First Class Mail

April 10, 2017

Eric Martuscelli, Vice President-Operations
Cascade Natural Gas Corporation
8113 W Grandridge Blvd
Kennewick WA 99336
Eric.Martuscelli@cngc.com

Dear Mr. Martuscelli:

RE: PG-150120 – Final Commission Order and Settlement Agreement Compliance

This letter is intended to outline Pipeline Safety Staff's (Staff) plan for assuring compliance with the recently approved Order and Settlement Agreement, as well as identifying expected elements to be contained in Cascade Natural Gas Corporation's (CNGC) required submissions.

In addition to routine visits of CNGC crews that may be working on elements of Maximum Allowable Operating Pressure (MAOP) validation, Staff anticipates making routine visits to CNGC headquarters each year to view related records. These will be pre-planned visits where CNGC will be notified of the purpose of the visit. We plan two such visits in 2017. During our first visit, sometime this spring, we request to review the TRC Pipeline Service LLC findings and ideally understand the scope of missing critical information within your system (B.1.c). Additionally, we wish to understand the CNGC system for storage and retrieval of the associated MAOP validation records. The second visit will be scheduled this fall and will likely focus on the status of CNGC validating the lines operating at 30% specified minimum yield strength or greater (B.1.b) as well as CNGC's progress in completing an updated timeline/plan including the additional segments (B.1.d.i). Future visits will likely be timed around submission or completion deadlines in the Order.

Please be reminded of the CNGC notification requirements contained in elements B.3 and B.4 of the agreement in which Staff will be notified when pipeline segment validation has resulted in a return to code-based leak survey intervals or return to previous operating pressures. Additionally, element B.5 requires CNGC's update of the Transmission and Distribution Integrity Management Programs upon completed MAOP validation.

Staff proposes that the status reports be submitted no later than September 30 and March 31 of each calendar year. These status reports are expected to address progress completed by CNGC in the previous six months with emphasis on the major deliverables referenced in the Order. As you know, the Commission modified said provision to assure that Staff is notified of any significant changes or developments in the CNGC completion of the plan. We interpret this to include any elements outside CNGC's control that impact the planned schedule.

Please let us know as soon as possible if you have any questions related to this correspondence or you disagree with our interpretation of the agreed Order. Staff will contact CNGC in advance of any compliance visits in order to assure that our visits are as efficient as possible

Sincerely,



Alan E. Rathbun
Pipeline Safety Director

cc: Chris Grissom, Manager of Standards and Compliance, CNGC
Mike Eutsey, Director of Operations Services, CNGC
Ryan Privratsky, Director of System Integrity, CNGC
Jeremy Ogden, Director of Engineering Services, CNGC