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February 28, 2018

Sean Mayo - Pipeline Safety Director
Washington Utilities and Transportation Commission
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UTC
Pipeline Safety Program

Subject: Response to the letter received February 7, 2018 (Docket No. PG-150120)

Dear Mr. Mayo,

This letter is intended to address the Washington Utilities and Transportation Commission (WUTC) requests/inquiries related to Cascade Natural Gas Corporation's (CNGC) Maximum Allowable Operating Pressure (MAOP) Determination & Validation Plan (Plan) submitted December 2017.

REQUESTS/INQUIRIES

1. Please organize the plan using an outline nomenclature as this will make referencing a particular portion of the plan much easier.

Cascade Response

CNGC will update the Plan using outline nomenclature to more easily reference specific sections of the Plan.

2. Page 1, *Introduction*. CNGC makes the following statement, "Transmission pipelines are defined as having a MAOP which produces a hoop stress greater than or equal to 20% Specified Minimum Yield Strength (SMYS). This statement does not take into account the functional definition of a transmission line found in 49CFR 192.3, and can be considered incomplete. CFR 192.3's definition of transmission line states "*a pipeline...that transports gas from a gathering line or storage facility to a distribution center storage facility or large volume customer.*" PHMSA's interpretation of this definition is a pipeline that takes gas from a transmission line (or storage facility, i.e. Williams) and transports it to a distribution center where it enters the distribution system (town gate). Staff recommends amending the aforementioned introduction statement to include the full definition of "Transmission pipelines" as presented in code.

Cascade Response

CNGC will update the definition of transmission pipeline to reflect PHMSA verbiage in 49 CFR 192.3. The PHMSA definition has been utilized by CNGC in practice and as such, this change in verbiage does not alter or otherwise increase the number of CNGC pipelines deemed as transmission within the Plan.

3. Page 6, *Table 7*: Please highlight the original 116 segments and associated mileage within the overall totals. Identify the number and miles of validated portions of the segments.

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Cascade Response

CNGC will add highlighting to the Work Order # column on Attachment 1 to identify the original 116 segments and miles of validated portions of the segments.

4. Page 11,5. *Prioritization*: Do the risk matrix priorities include "application date of cathodic protection" as a risk factor? Where in your prioritization would application of cathodic protection be analyzed?

Cascade Response

CNGC's risk matrix priorities does include "application date of cathodic protection" as a risk factor. Application of cathodic protection was analyzed when reviewing pipe vintage, installation characteristics, and maintenance records for a specific pipeline segment.

5. Page 12, *Schedule*: Please explain how the risk score of 49.01 was determined as the threshold for prioritizing the assigned risk to each segment. What does this represent from a risk perspective? Were facilities included (Table 10 does not appear to reflect the facility count)?

Cascade Response

CNGC determined that the risk score of 49.01 was the threshold for prioritizing the assigned risk to each segment by reviewing the overall risk of the original 116 segments. Risk score 49.01 was the second lowest risk score of the original 116 segments. The lowest risk score of the 116 segments was 44.87, which consisted of a one-foot stub of 2" pipe, at an MAOP of 105 psig. This segment's risk score was not used due to the relative risk compared to the risk scores of the other 116 segments. CNGC believed that if any segment had a risk score greater than that of any of the original 116 segments, the segment would need to be addressed within the current schedule for validating the original 116.

From a risk perspective, a score of 49.01 represents a low risk, with the pipeline segments having a low percent SMYS and consisting primarily of post-code segments.

CNGC did not originally include facilities in the pipeline risk score prioritization and instead prioritized facilities based on percent SMYS. This was primarily due to differences in characteristics between a pipeline segment and a facility. Such differences include: Facilities are localized to a specific location rather than covering a longer distance, and most of the piping is above ground. CNGC is currently revising this approach, please see response to inquiry # 10.

6. Page 12, *Table 10: Unvalid Segment Count by Total Risk Score*: What does "New Segments Addressed with 116 Segment" mean?

Cascade Response

"New Segments Addressed with 116 Segments" means that any newly identified segments will be validated with work that is currently planned for the original 116 segments.

7. Page 13, *New Segments with Missing Pressure Test Records and Current MAOP not consistent with 192.619*, (first bullet): The Commission placed a priority on validating lines operating over 30% SMYS by Dec. 31, 2017. When the Commission issued the order, CNGC indicated there were only five such lines and they would be mitigated promptly. Staff is concerned that CNGC's plan would take two years to validate the four "newly discovered" lines operating above 30% SMYS, and contend that these four lines must be validated by Dec. 31, 2018. Does CNGC anticipate not being able to meet this requirement?

Cascade Response

CNGC does not anticipate any difficulty in validating the four "newly discovered" lines operating above 30% SMYS by December 31, 2018. The Plan will be updated to reflect this completion date.

8. Page 13, *Missing 49 CFR 192.517 Records*: CNGC should amend the MAOP Validation and Determination Plan to add the schedule and strategy for missing 192.517 records by Jan.31, 2019.

Cascade Response

CNGC will update the Plan to include a schedule and strategy for missing 192.517 records and submitted to the WUTC Records Center by January 31, 2019.

9. Page 13, *Missing Component Information with Pressure Test*: CNGC should amend the MAOP Validation and Determination Plan to add the schedule and strategy for missing component information by Jan. 31, 2019.

Cascade Response

CNGC will update the Plan to include a schedule and strategy for missing component information and submitted to the WUTC Records Center by January 31, 2019.

10. Page 13, *Facilities*: This paragraph seems to indicate that all facilities missing critical information are all below the 49.01 risk score as the completion timeframe is 2028. Is this the case with all 336 segments?

Cascade Response

CNGC did not originally include facilities in the pipeline risk score prioritization and instead prioritized facilities based on percent SMYS. This was primarily due to differences in characteristics between a pipeline segment and a facility. Such differences include: Facilities are location specific, rather than covering a long distance, and piping is more likely to be above ground. CNGC is currently re-analyzing Facilities to incorporate applicable elements of the pipeline risk score prioritization. Any formal changes to Facilities risk prioritization, from the previously submitted Plan, will be included in the Plan update.

Please contact Ryan Privratsky at 509-734-4599 with questions or comments.

Respectfully Submitted,



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Cascade Natural Gas Corporation