

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

CERTIFIED MAIL

January 12, 2016

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

Dear Mr. Martuscelli:

RE: PG-150120 - Violation of Stipulated Agreement (Insp. No. 2655)

The Washington Utilities and Transportation Commission (Commission) and Cascade Natural Gas Corporation (CNGC) entered into the attached Stipulated Agreement (Agreement) on February 2, 2015. The Agreement laid out how CNGC would collect information, prioritize and execute steps to confirm the maximum allowable operating pressure (MAOP) for high pressure pipelines in Washington. Section III.1 of the Agreement states that CNGC will submit a written plan to the Commission within six months of approval of the Agreement. The Agreement became effective when the Commission signed the Order on February 12, 2015. Therefore, CNGC had until August 12, 2015 to submit the written plan. At present, no plan has been received by the Commission. CNGC staff stated it was not submitted due to personnel issues. None the less, CNGC is in violation of a Commission Order referencing this Stipulated Agreement.

Per Section IV of the Agreement, the Commission's intentions were to not pursue any enforcement actions for these MAOP defeciences as long as CNGC performs the actions established in Section III of the Agreement. CNGC has not performed and is therefore in violation of the Order. Therefore, the Commission is obligated, in the public interest, to issue a complaint unless the performance defeciencies are immediately rectified. As such, CNGC must submit the aforementioned written plan required by Section III of the Agreement to the Commission by no later than January 29, 2016.

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If you have any questions or if we may be of any assistance, please contact Dennis Ritter at (360) 664-1159. Please refer to the inspection number above in any future correspondence.

Sincerely,

Alan E. Rathbun

Pipeline Safety Director

Enclosure

cc: Steve Kessie, Director Operation Services, CNG

Jeremy Ogden, Director Engineering Services, CNG

Mike Eutsey, Manager, Standards and Compliance, CNG

Vicki Ganow, Pipeline Safety Specialist, CNG