



STATE OF WASHINGTON

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

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PHMSA Ref. No. CPF5-2009-0027C

WUTC Ref. No. Docket PG-090045

January 26, 2010

Eldon N. Book
Executive Vice President
Chief Operating Officer
Cascade Natural Gas Corporation
555 South Cole Road
PO Box 7608
Boise, ID 83707

Dear Mr. Book:

Re: 2009 Kelso-Beaver Pipeline Interstate Inspection Area of Concern

Thank you for taking the time to meet with commission staff (staff) on January 6, 2010 to address our concerns regarding the safety of the Kelso-Beaver Pipeline in the vicinity of the Allen Brothers slide area.

During the meeting, representatives from Portland General Electric (PGE) and Cornforth Consultants briefed staff on the history of these slide areas, remediation projects completed, ongoing slide monitoring programs, pipeline analysis and evaluations conducted in 2009, and proposed integrity assessments scheduled for CY 2010. In addition, PGE provided for staff's review a copy of the 2008/09 Mustang Engineering Caesar II Stress Analysis report.

While we still have a lingering concern about the ground stability upslope of the pipeline within the flow slide area, we now recommend that PGE continue to monitor the ground movement with existing programs in place instead of exposing the pipeline to relieve pipe stresses as we had previously recommended.

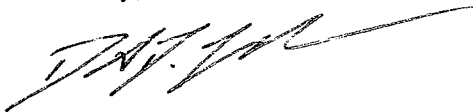
We expect that Cascade Natural Gas (CNG) and PGE will continue to closely monitor this area, particularly during significant rain events and take appropriate measures as necessary to prevent a pipeline failure.



Cascade Natural Gas Corporation
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I thank CNG and PGE personnel for their cooperation and assistance in this matter. If you have any questions, please contact Kuang Chu at (360) 664-1182.

Sincerely,



David D. Lykken
Pipeline Safety Director

cc: Chris Hoidal, PHMSA
Chanda Marek, P.E. CNG
Dan Meredith, MDU Utilities Group
Kathy Davies, PGE