



8113 W. GRANDRIDGE BLVD., KENNEWICK, WASHINGTON 99336-7166  
TELEPHONE 509-734-4500 FACSIMILE 509-737-9803  
www.cngc.com

Date: October 13, 2023

Subject: Docket PG-150120, Amended Settlement Agreement, Request for Extension to V.B.1.a.i.

Sender: Ryan Privratsky, Director System Integrity  
Cascade Natural Gas Corporation

Mailing Address: 8113 W. Grandridge Blvd., Kennewick WA 99336-7166

Phone Number: (509) 734-4599

Email Address: [ryan.privratsky@mdu.com](mailto:ryan.privratsky@mdu.com)

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October 13, 2023

Scott Rukke, Director  
Washington Utilities and Transportation Commission  
Pipeline Safety Division  
621 Woodland Square Loop SE  
Lacey, WA 98503

Subject: Docket PG-150120, Amended Settlement Agreement, Request for Extension to V.B.1.a.i.

Dear Mr. Rukke,

This letter is intended to serve as a request to extend the completion date of Section V.B.1.a.i. of the Revised Compliance Program in the Amended Settlement Agreement, Docket PG- 150120, between the Washington Utilities and Transportation Commission (WUTC) and Cascade Natural Gas Corporation (CNGC).

CNGC anticipates it will not be able to complete 100% of the required work to document the basis for validation of the MAOP of pipeline segments and facilities having a risk score of greater than or equal to 75 by December 31, 2023. Completion of the remaining validation work has been hindered due to several issues and factors beyond CNGC's control as discussed in more detail in the enclosed document. An extension of the completion date, to December 31, 2024, will allow CNGC to fully complete validation work on the remaining pipeline segments and facilities having a risk score of greater than or equal to 75, while also continuing progress on completion of Revised Compliance Program Item V.B.1.a.ii for segments and facilities having a risk score of less than 75. Information supporting this extension is included in the enclosed document.

Please feel free to contact Ryan Privratsky at (509) 734-4599, if you have any questions or comments.

Respectfully Submitted,

A handwritten signature in black ink that reads "Pat Darras".

Pat Darras  
Vice President, Engineering & Operations Services  
Cascade Natural Gas Corporation  
8113 W. Grandridge Blvd.  
Kennewick, WA 99336-7166  
[Pat.Darras@mdu.com](mailto:Pat.Darras@mdu.com)

Enclosure:

Request for Extension to Complete Revised Compliance Program Item V.B.1.a.i.

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**DOCKET PG-150120 - AMENDED SETTLEMENT AGREEMENT**  
**Request for Extension to Complete Revised Compliance Program Item V.B.1.a.i.**  
**October 13, 2023**

**Summary**

Cascade Natural Gas Corporation (CNGC) has worked diligently, since 2018, to complete work to document the basis for validation of the maximum allowable operation pressure (MAOP) of pipeline segments and facilities operating above 60 psig, which have a risk score of greater than or equal to 75, as required by the Revised Compliance Program, Item V.B.1.a.i., of the Amended Settlement Agreement that was approved by the Commission in Order 05 in Docket PG-150120 (Amended Settlement Agreement).<sup>1</sup>

While CNGC has completed the vast majority of the required work to document the basis for validation of the MAOP of pipeline segments and facilities having a risk score of greater than or equal to 75, CNGC anticipates it will not be able to complete 100% of this work by December 31, 2023, which is the date set forth for completion of this work in the Amended Settlement Agreement. Completion of the remaining validation work has been hindered due to several issues and factors beyond CNGC’s control as discussed in more detail below. An extension of the completion date, to December 31, 2024, will allow CNGC to fully complete validation work on the remaining pipeline segments and facilities having a risk score of greater than or equal to 75, while also continuing progress on completion of Revised Compliance Program Item V.B.1.a.ii for segments and facilities having a risk score of less than 75<sup>2</sup>.

**Background**

In 2017, CNGC worked with TRC Pipelines Service LLC (TRC) to complete a records review of all remaining pipelines operating above 60 psig. From this review CNGC submitted an updated Maximum Allowable Operating Pressure Determination & Validation Plan (Plan) in accordance with Docket PG-150120 on March 28, 2018. The Plan broke out the total number of pipeline segments (including associated miles) and facilities that lacked documentation of the basis for validation of MAOP, that fell into the two risk categories. The two risk categories were established based on risk to public safety (Revised Compliance Program Item V.B.2.). The higher risk segments and facilities were to be completed by December 31, 2023, and the lower risk segments and facilities were to be completed by December 31, 2028. In March 2018, the pipeline segment and facility count by risk category were as follows:

**UNVALID SEGMENT/FACILITY SUMMARY BY TOTAL RISK SCORE - MARCH 2018**

<b>TOTAL RISK SCORE GREATER THAN OR EQUAL TO 75</b>	<b>TOTAL RISK SCORE LESS THAN 75</b>
173 PIPELINE SEGMENTS – 151.51 MILES	2,458 PIPELINE SEGMENTS – 73.98 MILES
65 FACILITIES	204 FACILITIES

As of September 2023, CNGC has completed validation of 146 of the 173 pipeline segments and 57 of the 65 facilities with a total risk score greater than or equal to 75. The remaining pipeline segment and facility count by risk category as of September 2023 is as follows:

**UNVALID SEGMENT/FACILITY SUMMARY BY TOTAL RISK SCORE - SEPTEMBER 2023**

<b>TOTAL RISK SCORE GREATER THAN OR EQUAL TO 75</b>	<b>TOTAL RISK SCORE LESS THAN 75</b>
27 PIPELINE SEGMENTS – 18.34 MILES	1,894 PIPELINE SEGMENTS – 27.20 MILES
8 FACILITIES	123 FACILITIES

Further, CNGC currently projects it will complete validation work for an additional 17 pipeline segments and 2 facilities before December 31, 2023; however, CNGC anticipates the work on the remaining pipeline segment and facilities will extend past December 31, 2023, due to actions beyond CNGC’s control. Specific details associated with the remaining pipeline segments and facilities are described in more detail below. The remaining pipeline segment and facility count by risk category projected to still require validation by the end of December 2023 is as follows:

<sup>1</sup> The Revised Compliance Program is set forth in Section V.B of the Amended Settlement Agreement.

<sup>2</sup> Amended Settlement Agreement ¶14. CNGC will document the basis for validation of the MAOP on 100% of the segments and facilities having a risk score of less than 75, as set forth in the MAOP Determination & Validation Plan dated March 2018, by December 31, 2028.

**Docket PG-150120 – Amended Settlement Agreement  
Request for Extension - Revised Compliance Program V.B.1.a.i.**

**UNVALID SEGMENT/FACILITY SUMMARY BY TOTAL RISK SCORE – EST. END DECEMBER 2023**

TOTAL RISK SCORE GREATER THAN OR EQUAL TO 75	TOTAL RISK SCORE LESS THAN 75
10 PIPELINE SEGMENTS – 4.60 MILES	1,804 PIPELINE SEGMENTS – 26.09 MILES
6 FACILITIES	116 FACILITIES

The below table provides a description of the pipeline segments and facilities that CNGC is currently projecting will require additional time beyond December 31, 2023, to complete documentation of MAOP validation, and an explanation for the need for additional time:

Work Order #	Pipeline Segment / Facility	Segment Name / Facility ID	Original Length (Feet)	Validated Length (Feet)	Background Information
MTVL1-1	Pipeline Segment	8” Anacortes Transmission Line	102,065	99,119	Work on this pipeline segment began in 2016. Segment was in-situ tested in 2016 & 2017, 87,738’ has been validated by pressure testing or replacement, and 11,381’ is scheduled to be downrated by December 31, 2023. The remaining 2,946’ was pressure tested in May 2023. During the pressure test the pressure was held above the minimum test pressure for the duration of the test, but during the test the segment sustained a constant pressure drop that didn’t appear to be consistent with temperature change. The segment was placed back into service, and has been leak surveyed multiple times, with no leaks discovered to date. Without being able to locate a leak, the decision has been made to move forward with replacement. CNGC is anticipating not being able to have a design completed and permitting in place, to replace the 2,946’, by December 31, 2023. Replacement segment crosses the Swinomish Channel, which will require significant permitting. Replacement is currently planned to be completed in 2024.
Fish_968	Pipeline Segment	8” Yakima H.P. Line	3,032	0	Work on these pipeline segments and facility began in 2019, which consists of the replacement of the existing segments and facility. The replacement includes a new horizontal directional drilled crossing beneath the Yakima River south of Terrace Height Dr. in Yakima, WA. The design is mostly completed, permits that we have been able to secure have been secured, and all easements, except one, have been obtained. Delays with obtaining the last easement are due to change in property ownership, historical use of the property, and future plans for the property. When the pipeline was installed in 1956, the pipeline segment was located in an existing road right of way. At some time, after the pipeline was installed, modifications were made and the old right of way was vacated and transferred to the adjoining properties, leaving the pipeline segment located within the
FISH_968_Lat_26	Pipeline Segment	8” Yakima H.P. Line	695	0	
160	Pipeline Segment	Inlet 032-R-007	70	0	
13033	Facility	032-R-007	N/A	N/A	

**Docket PG-150120 – Amended Settlement Agreement  
Request for Extension - Revised Compliance Program V.B.1.a.i.**

Work Order #	Pipeline Segment / Facility	Segment Name / Facility ID	Original Length (Feet)	Validated Length (Feet)	Background Information
					property without an easement. Plan was to replace the pipeline following the existing path, but through discussions with one of the property owners they have indicated future plans to develop the property, in which the existing path would not be feasible for their future plans. Without having an easement across the property this has further complicated CNGC’s ability to replace this pipeline segment. Based on recent conversations with the property owner, a possible resolution is being worked through to allow for the pipeline segment to be replaced and allow for future development of the property. Alternative routes have been evaluated but all have been determined to not be feasible. To complete the remaining permitting and finalize design, the last easement needs to be obtained. CNGC is anticipating not being able to have the design completed and permitting in place by December 31, 2023. Replacement is currently planned to be completed in 2024.
211220	Pipeline Segment	3" Burlington H.P. Line	420	0	Work on this pipeline segment began in 2023, which consists of the replacement of the existing segment. The replacement includes a new horizontal directional drilled crossing beneath Interstate 5. Four potential routes were examined for this replacement, but proximity to BNSF railway, Joe Leary Slough, and wetlands would have resulted in lengthy permitting requirements for three of the four routes examined. The route that has been selected will have the least environmental impact and the highest probability of success from a permitting standpoint. Design and permitting is progressing, and easement negotiations have begun. CNGC is anticipating being able to have the design completed and permitting in place by December 31, 2023, but doesn’t anticipate that construction will be completed by December 31, 2023.
YakimaL5-1	Pipeline Segment	6" Toppenish-Zillah H.P. Line	32,566	13,192	Work on these pipeline segments and facility began in 2018. Segment was in-situ tested in 2018 & 2020, 13,192’ has been validated by pressure testing or replacement, and 2,400’ is currently in process of being replaced. The remaining 16,974’ was in the process of being pressure tested and was scheduled to be tested on September 25, 2023. While work was taking place, to pressure test the pipeline segments and facility, the system was being
4230105	Pipeline Segment	HPSS 4230105	16	0	
4230100	Pipeline Segment	HPSS 4230100	63	0	
4230120	Pipeline Segment	HPSS 4230120	7	0	

**Docket PG-150120 – Amended Settlement Agreement  
Request for Extension - Revised Compliance Program V.B.1.a.i.**

<b>Work Order #</b>	<b>Pipeline Segment / Facility</b>	<b>Segment Name / Facility ID</b>	<b>Original Length (Feet)</b>	<b>Validated Length (Feet)</b>	<b>Background Information</b>
4230112	Pipeline Segment	HPSS 4230112	45	0	held on a temporary liquified natural gas (LNG) supply being supplied by a third-party. The morning of September 22, 2023, an incident occurred with the LNG operation, which resulted in an interruption to the LNG supply and required the pipeline segment to be put back into service. This incident has resulted in delays in being able to complete the remaining work. Due to the ongoing investigation into the incident, and the time of the year and work required to restart the LNG operation, CNGC is anticipating not being able to have pressure testing completed by December 31, 2023. Pressure testing is currently being planned to be completed in the Summer of 2024.
25856	Facility	032-O-008	N/A	N/A	
33C9624	Facility	029-R-002	N/A	N/A	Work on this facility began in 2023, which consists of bypassing the existing regulator station, replacing needed components, and conducting a pressure test. CNGC is hopeful work will be completed by December 31, 2023, but is anticipating possible delays in obtaining necessary materials to complete the work by December 31, 2023.
UNKV (017-R-002)	Facility	017-R-002	N/A	N/A	Work on this facility began in 2023, which consists of bypassing the existing regulator station, replacing needed components, and conducting a pressure test. CNGC is hopeful work will be completed by December 31, 2023, but is anticipating possible delays in obtaining necessary materials to complete the work by December 31, 2023.
G0084854	Facility	017-R-050	N/A	N/A	Work on this facility began in 2023, which consists of bypassing the existing regulator station, replacing needed components, and conducting a pressure test. CNGC is hopeful work will be completed by December 31, 2023, but is anticipating possible delays in obtaining necessary materials to complete the work by December 31, 2023.
16160	Facility	009-R-067	N/A	N/A	Work on this facility began in 2023, which consists of the replacement of the existing facility. CNGC is hopeful work will be completed by December 31, 2023, but is anticipating possible delays in obtaining necessary materials to complete the work by December 31, 2023.

CNGC has kept WUTC Pipeline Safety Staff apprised of progress. Specifically, CNGC communicated potential delays to Scott Rukke with the WUTC Pipeline Safety Staff during a meeting held on June 22, 2023. Progress on this Revised Compliance Program item has also been reported in the Six-Month Status Report that is filed in March and September, each year.

**Docket PG-150120 – Amended Settlement Agreement  
Request for Extension - Revised Compliance Program V.B.1.a.i.**

The Amended Settlement Agreement and the Commission’s order recognize that actions beyond CNGC’s control could delay the work and also provide CNGC the right to maintain that substantial compliance has been met.<sup>3</sup> The Commission specifically noted that delays in obtaining easements and rights of way to perform pressure testing or delays in securing permits from municipal authorities qualified as examples of actions beyond the Company’s control.<sup>4</sup> As discussed above, delays in the completion of this Revised Compliance Program have resulted from actions beyond the control of CNGC.

CNGC is requesting an amendment to V.B.1.a.i. of the Amended Settlement Agreement (Revised Compliance Program) to allow additional time to complete the validation of the MAOP on 100% of the pipeline segments and facilities having a risk score of greater than or equal to 75.

The current and proposed language is below.

**Current Amended Settlement Agreement Language:**

1. CNGC will document the basis for validation of the MAOP of every pipeline segment and facility operating above 60 psig. Such documentation will be completed in accordance with the provisions of 49 C.F.R. § 192.619 as it currently, or as it may be amended by PHMSA. CNGC will meet the following timelines:
  - a. For all segments and facilities identified as missing critical information necessary for documenting the basis for validation of MAOP:
    - i. CNGC will document the basis for validation of the MAOP on 100% of the segments and facilities having a risk score of greater than or equal to 75, as set forth in the MAOP Determination & Validation Plan dated March 2018, by December 31, 2023.

**Proposed Amended Settlement Agreement Language:**

1. CNGC will document the basis for validation of the MAOP of every pipeline segment and facility operating above 60 psig. Such documentation will be completed in accordance with the provisions of 49 C.F.R. § 192.619 as it currently, or as it may be amended by PHMSA. CNGC will meet the following timelines:
  - a. For all segments and facilities identified as missing critical information necessary for documenting the basis for validation of MAOP:
    - i. CNGC will document the basis for validation of the MAOP on 100% of the segments and facilities having a risk score of greater than or equal to 75, as set forth in the MAOP Determination & Validation Plan dated March 2018, by December 31, 2024.

**Conclusion**

For the reasons described above, CNGC respectfully requests the Commission grant a one-year extension of time, to December 31, 2024, for CNGC to complete documentation of the validation of the MAOP for segments and facilities having a risk score greater than or equal to 75. Since 2016, CNGC has worked diligently to document the basis for validation of the MAOP of pipeline segments and facilities having a risk score of greater than or equal to 75 by December 31, 2023. This can be seen in the progress that has been made towards completion of this Revised Compliance Program Item. In addition to the validation of pipeline segments and facilities with a total risk score greater than or equal to 75, CNGC is anticipating completing validation of 654 pipeline segments and 88 facilities with a total risk score less than 75 by December 31, 2023. CNGC believes that substantial compliance has been met, and to the extent work is not complete, it is due to factors beyond CNGC’s control. CNGC has made a good faith attempt to meet the requirements of this Revised Compliance Program Item and will continue to work towards completion of this validation requirement. CNGC does not anticipate that this extension will impact completion of the other outstanding items required of the Amended Settlement Agreement.#

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<sup>3</sup> Amended Settlement Agreement ¶12; Order 03 ¶¶ 48-49. The Commission will narrowly construe “actions qualifying as beyond the Company’s control, and the Commission specifically noted it was not to apply to delays by CNGC’s contractor, TRC. *Id.*

<sup>4</sup> Order 03 ¶ 49.