

Agenda Date: December 21, 2023
Item Number: E1

Docket: PG-150120
Company Name: Cascade Natural Gas Corporation

Staff: Scott Rukke, Pipeline Safety Director
Dennis Ritter, Chief Pipeline Safety Engineer

Recommendation

Approve Cascade Natural Gas Corporation's (Cascade or company) request to extend to December 31, 2024, the deadline for completing the Maximum Allowable Operating Pressure (MAOP) validation for the pipeline segments identified in Section V.B.1.a.i of the Amended Settlement Agreement approved by the commission in Docket PG-150120 by amending that section. Staff recommends approving the amending language proposed by Cascade in its filing.

Discussion

In 2016, Cascade settled a complaint filed by commission staff (staff) by agreeing to validate the MAOP of certain pipeline segments operating above 60 pounds per square inch, gauge (psig). The commission adopted that settlement and required Cascade and staff to submit an amended settlement to update the validation plan and the timeline for its implementation. The parties filed the Amended Settlement Agreement as required, and the commission adopted it on March 29, 2018. The original Settlement Agreement was based on total number of segments and mileage without an overlay of the potential risk of those segments. The Amended Settlement Agreement Section V.B.1 therefore required Cascade to complete validation based two categories of risk: those with a risk score at 75 or above and those with a score below 75 as follows:

- 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.
- ii. 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, 2028.¹

Cascade made staff aware in the September 29, 2023, Amended Settlement Agreement 6-month Status Report, that although they had completed the vast majority of the work to document the basis for validation of the MAOP for pipelines and facilities with a risk score at or above 75, they anticipate not being able to complete the work by the December 31, 2023 deadline.² On October 13, 2023, Cascade filed a Request for Extension to Section V.B.1.a.i. (Request). This extension does not affect the December 31, 2028, deadline for Section V.B.1.a.ii-those segments

¹ Docket PG-150120, Amended Settlement Agreement, Section V.B.1, March 29, 2018

² Docket PG-150120, Amended Settlement Agreement 6-month Status Report, Section V.B, Cascade Response, September 29, 2023

and facilities with a risk score less than 75.

In the Request, Cascade gives evidence of its current efforts to meet the December 31, 2023, deadline with the following tables indicating the total number of each unvalidated segment or facility at the time of the Amended Settlement Agreement and the current remaining unvalidated segments.

UNVALIDATED SEGMENT/FACILITY SUMMARY BY TOTAL RISK SCORE –
MARCH 2018

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

UNVALIDATED SEGMENT/FACILITY SUMMARY BY TOTAL RISK SCORE -
SEPTEMBER 2023

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

Cascade anticipates it will complete validation work for an additional 17 pipeline segments and 2 facilities before December 31, 2023. This will leave 10 pipeline segments (4.60 miles) and 6 facilities still to be mitigated. However, the work on the remaining pipeline segment and facilities will extend past December 31, 2023, due to actions beyond Cascade’s control. It should also be noted that though Cascade is targeting the higher risk assets, they also are mitigating some lower risk segments and facilities. This work is typically completed as part of a higher risk segment mitigation, and they opportunistically take advantage.

Cascade provided substantive background information in their Request as to why they will not meet the December 31, 2023, deadline. Most of the delays are due to permitting and obtaining necessary materials to complete the work (materials for facilities like regulator stations). It should also be noted that the majority of the pipeline validation work is for one project near Toppenish, WA. In September of 2023, 16,974 feet of pipeline was going to be pressure tested to validate MAOP, when an incident occurred in which one person died while supplying liquified natural gas (LNG) to the pipeline during the pressure test. The test was not completed. As the investigation is still on-going, this segment will not be pressure tested by December 31, 2023.

Staff has reviewed Cascade’s extension request, accompanying justification, and projected validation timeline (see Memo Attachments 1), and supports extension of the completion date by amending the Amended Settlement Agreement.

Conclusion

Staff recommends the commission grant Cascade's request to extend to December 31, 2024, the deadline for completion of Section V.B.1.a.i of the Revised Compliance Program in the Amended Settlement Agreement by adopting the amending language proposed by Cascade. Cascade has clearly communicated challenges presented by circumstances outside of Cascade control, and in staff's estimation it has taken appropriate, proactive steps to meet the compliance dates associated with MAOP validation specified in the Amended Settlement Agreement.