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

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November 20, 2024

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 Pipeline Safety Staff of the Washington Utilities and Transportation Commission (WUTC) and Cascade Natural Gas Corporation (CNGC), as approved by the WUTC in Order 05, and as extended in Order 07.

While CNGC has continued to work diligently to complete the work, we anticipate we 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, 2024. Completion of the remaining validation work continues to be hindered due to several issues and factors beyond CNGC's control, including difficulties in obtaining permits and easements, as discussed in more detail in the enclosed document. An extension of the completion date will allow CNGC to continue to 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  
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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.**  
**November 20, 2024**

**Summary**

Cascade Natural Gas Corporation (CNGC) continues to work diligently to complete work required 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, 2024<sup>2</sup>. Completion of the remaining validation work continues to be hindered due to several issues and factors beyond CNGC's control including difficulties in obtaining permits and easements as discussed in more detail below. As a result, CNGC is requesting an extension of the completion date to 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>3</sup>. Specifically, CNGC requests an extension that would require CNGC to complete the work within twelve months after all required easements and permits have been obtained.

**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 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

In October 2023, CNGC submitted a request to extend the completion date of Item V.B.1.a.i. to December 31, 2024, due to projects being hindered by several issues and factors beyond CNGC's control. Extension of the completion date for Item V.B.1.a.i. was approved in Order 07 by the WUTC on December 21, 2023. Throughout 2024, CNGC continued to work to complete work to document the basis for validation of the MAOP, and as of September 2024, CNGC has completed validation of 165 of the 173 pipeline segments and 60 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 2024 is as follows:

**UNVALID SEGMENT/FACILITY SUMMARY BY TOTAL RISK SCORE - SEPTEMBER 2024**

<b>TOTAL RISK SCORE GREATER THAN OR EQUAL TO 75</b>	<b>TOTAL RISK SCORE LESS THAN 75</b>
8 PIPELINE SEGMENTS – 8.24 MILES	1,757 PIPELINE SEGMENTS – 25.08 MILES
5 FACILITIES	116 FACILITIES

Further, CNGC has completed validation work on additional pipeline segments and facilities since September, and projects it will fully and partially complete validation work for additional pipeline segments and facilities before December 31,

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

<sup>2</sup> Order 07, Approving Extension of Deadline Established in Amended Settlement Agreement, effective December 21, 2023.

<sup>3</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.

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Request for Extension - Revised Compliance Program V.B.1.a.i.**

2024. However, CNGC anticipates that work on the remaining pipeline segments will extend past December 31, 2024, due to actions beyond CNGC’s control. Below is a description of the pipeline segments that CNGC is currently projecting will require additional time beyond December 31, 2024, to complete documentation of MAOP validation, and an explanation for the need for additional time:

<b>Work Order #</b>	<b>Pipeline Segment / Facility</b>	<b>Segment Name / Facility ID</b>	<b>Length (Feet)</b>
Fish_968	Pipeline Segment	8” Yakima H.P. Line	3,032
FISH_968_Lat_26	Pipeline Segment	8” Yakima H.P. Line	695
160	Pipeline Segment	Inlet 032-R-007	70

**Background Information**

Work to document the basis for validation of the MAOP for these pipeline segments began in 2019. Validation includes the replacement of these pipeline segments. The replacement includes a new horizontal directional drilled crossing beneath the Yakima River south of Terrace Heights Dr. in Yakima, WA. The design has mostly been completed, permits that have been able to be secured have been secured, and all easements, except one, have been obtained. Delays in completing MAOP validation has primarily been impacted from difficulties in obtaining needed easements. These difficulties have been complicated by changes in property ownership, changes in the historical use of the property, and changes in property ownership during easement negotiations. When the pipeline segment was installed in 1956, a majority of the pipeline segment was installed in road right of way. At some time, after the pipeline was installed, modifications were made to the right of way, west of the Yakima River, and the right of way was vacated and transferred to the adjoining properties, thus leaving a portion of this pipeline segment located on private property without an easement. Initial offers for easements for the replacement were presented to all property owners in November 2019. In December 2019 the property ownership group of the property west of the Yakima River declined the initial easement offer. Throughout 2020 and 2021 CNGC continued to work to obtain easements with minimal success. In December 2021, CNGC discovered the property west of the Yakima River was sold and began conversations with the new owner. In June 2022 easements were obtained for all properties, except for one property west of the Yakima River. In December 2022 the new owner orally agreed to grant an easement contingent on CNGC redesigning the route to accommodate the property owner’s future plans to develop the property. CNGC redesigned the route for the pipeline replacement, but in June 2023 the property owner withdrew the offer. In September 2023 the property owner again expressed interest in granting an easement. Between October 2023 and January 2024, CNGC continued to work with the property owner but was still unable to reach an agreement. In February 2024, CNGC hired an appraisal company to perform an appraisal of the property, with the appraisal being completed in May 2024. Based on the appraised value a new offer was presented to the property owner in July 2024, but was rejected by the property owner in October 2024. To date CNGC has been unable to come to a suitable agreement with the property owner and is evaluating all options to be able to complete this project. Not having an easement across this property has impacted CNGC’s ability to complete MAOP validation. CNGC is currently moving forward with plans to replace the pipe on the east side and a portion on the west side of the Yakima River, with construction anticipated to begin in Spring 2025, but to fully complete validation the last easement needs to be obtained. Alternative routes have been evaluated but all have been determined to not be feasible. CNGC is anticipating not having this resolved and MAOP validation completed by December 31, 2024.

<b>Work Order #</b>	<b>Pipeline Segment / Facility</b>	<b>Segment Name / Facility ID</b>	<b>Length (Feet)</b>
211220	Pipeline Segment	3" Burlington H.P. Line	420

**Background Information**

Work to document the basis for validation of the MAOP for this pipeline segment began in 2023. Validation includes the replacement of this pipeline segment. Construction for this replacement was started on 09/23/2024. On 10/02/2024, while installing the pipeline segment crossing Interstate 5, by pilot tube guided bore, an obstruction was discovered in the middle of the interstate. Upon further investigation it was found that large rocks were placed as fill at some time during construction within the interstate right of way. The obstruction has prevented CNGC from being able to complete the crossing as initially designed and approved by WSDOT. CNGC is in the process of redesigning the crossing to avoid the obstruction and amending the current permit with WSDOT to utilize a horizontal directional drill (HDD) to complete the crossing. CNGC is anticipating being able to submit the amendment to WSDOT by the week of November 25th. WSDOT has indicated it could take up to three weeks, maybe longer, to review and approve the amendment to the permit. In addition to amending the permit with WSDOT, an additional easement will most likely be needed based on the redesign to an HDD crossing. An additional easement will require additional time to obtain once the amendment is approved by

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WSDOT. Until the amendment is approved construction has been put on hold. CNGC’s goal is to have the permit amended by December 31, 2024, but it is unlikely that construction will be completed by December 31, 2024. In addition to amending the permit, construction conditions are diminishing as we approach winter. Continuing this replacement in winter will be difficult. Once the amended permit is approved and an additional easement is obtained, finishing construction may need to wait until the conditions improve, which may not be until Spring or Summer of 2025.

Work Order #	Pipeline Segment / Facility	Segment Name / Facility ID	Length (Feet)
Fish-L7-1	Pipeline Segment	4” Wapato H.P. Line	33,284

**Background Information**

Work to document the basis for validation of the MAOP for this pipeline segment began in 2022. Validation includes the replacement of this pipeline segment. CNGC expected to complete replacement by the end of 2023, but due to actions of parties beyond the control of CNGC, discussed below, part of the line replacement has not yet been completed. Construction for this replacement was started on 09/15/2023, and to date approximately 31,084’ has been installed, with approximately 2,200’ remaining to be installed. Even before construction started, CNGC experienced delays related to obtaining extra temporary construction workspace and receiving the necessary railroad crossing permits. In an attempt to get work completed by December 31, 2023, CNGC started construction while continuing to pursue these items. During construction CNGC encountered difficulties with the five planned horizontal directional drilled (HDD) crossings, the ones available to be completed were attempted and failed multiple times before a successful HDD was able to be completed. While still pursuing the extra workspace, CNGC was finally directed to work with the Yakama Nation Realty Office and submitted the request on 11/2/2023. CNGC actively worked with the Yakama Nation to reach an agreement for the temporary workspace throughout most of 2024. Without having an agreement for the temporary workspace in place or finalized permits from the railroad, construction was put on hold on May 7, 2024. On September 23, 2024, a final agreement for the temporary workspace was substantially reached and one of the final railroad permits was received. Once a contiguous construction schedule was possible, CNGC resumed construction of the remaining HDD crossings. To date only three of the five crossings have been completed. The two remaining crossings were attempted multiple times in September and October 2024 but were unsuccessful due to the soil conditions. To complete the two remaining crossings, CNGC is in the process of redesigning the crossings to utilize different methods and equipment to complete the crossing based on the existing soil conditions that have been encountered. CNGC has submitted the change to BNSF for the crossing near Toppenish and is in the process of submitting the change for the crossing near Wapato. BNSF hasn’t provided any indication on how long the review will take to process, but CNGC is hopeful to have the changes approved by December 31, 2024. However, while awaiting approval from BNSF, CNGC plans to tie in the new pipe that has been installed and retire approximately 31,084’ of the existing pipeline segment before December 31, 2024. To be able to fully complete this replacement the two railroad crossings, a section of main starting at CNGC’s regulator stations to the first railroad crossing near Toppenish, and a section of main serving three high pressure service sets still need to be completed. Until the crossings are completed validation will not be fully complete. CNGC doesn’t anticipate that the full replacement will be completed by December 31, 2024.

Work Order #	Pipeline Segment / Facility	Segment Name / Facility ID	Length (Feet)
YakimaL4-1	Pipeline Segment	3” Prosser H.P. Line	5,832
47C8256	Pipeline Segment	3” Prosser H.P. Line	309

**Background Information**

Work to document the basis for validation of the MAOP on these pipeline segments began in 2023. Validation includes the replacement of these pipeline segments. CNGC expected to complete replacement by the end of 2023, but due to actions of parties beyond the control of CNGC, discussed below, the work has not yet been completed. In January 2023, CNGC began coordination with Benton County on requirements that would be needed to complete this replacement. As work moved forward issues were encountered which impacted the overall timeline for this project. Some of the difficulties that have impacted the project timeline included delays in completion of the Conditional Use Permit (CUP), unclear permitting requirements, and coordination with BNSF and Benton County. Delays in completing the CUP included challenges in obtaining a clear understanding of landownership, difficulties in obtaining signatures from all impacted property owners (requests for signatures began in February 2023, one property was in probate), and unclear zoning determinations. The CUP application was submitted in August 2024 for consideration by the Hearing Examiner

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but wasn't included until the October hearing due to the September hearing being cancelled due to less than required agenda items. The CUP was conditionally approved during the hearing held on October 18, 2024. In addition to the CUP, project information was sent to the Benton County Public Works Manager in August 2023, with multiple attempts to reach the Public Works Department from December 2023 to September 2024. In August 2024 the Right-of-Way application was submitted, which couldn't be submitted until after the CUP application was submitted. After submitting the Right-of-Way application, the Public Works Department informed CNGC that they have a lease from BNSF for Bennett Ave and will require approval from BNSF. CNGC reached out to BNSF, in September, regarding requirements for utility installation within the Bennett Ave, but received an unclear response suggesting a Temporary Occupancy Permit would need to be submitted, but BNSF wasn't clear if it was even required. CNGC attempted to clarify through phone calls and emails with no response. In October the Temporary Occupancy Permit was submitted to BNSF, but the requirement is still unclear, as BNSF has not responded to emails or phone calls. In addition, BNSF coordination throughout the CUP application process has been slow, with unclear requirements and expectations. Until the situation along Bennett Ave is resolved or approved by BNSF, moving forward with construction is on hold. CNGC is hoping to have this resolved by December 31, 2024, but doesn't anticipate that this project will be completed by December 31, 2024.

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 October 16, 2024. 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.

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>4</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>5</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 Amended Settlement Agreement language, 2023 Extension (Order 07), and proposed extension are below.

**Amended Settlement Agreement Language - Order 05:**

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.

**Approving Extension of Deadline Established in Amended Settlement Agreement - Order 07:**

1. The deadline for Cascade Natural Gas Corporation to complete baseline assessments of pipe segments associated with Section V(B)(1)(a)(i) of the 2018 Amended Settlement Agreement is extended to December 31, 2024<sup>6</sup>.

<sup>4</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>5</sup> Order 03 ¶ 49.

<sup>6</sup> Order 07 ¶ 20.

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Request for Extension - Revised Compliance Program V.B.1.a.i.**

**Proposed Extension:**

Due to delays outside of CNGC's control, CNGC will complete validation of the MAOP of the remaining 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, within twelve months after all required easements and permits have been obtained to allow for construction to begin. CNGC will continue to pursue all options to obtain required easements and permits and will provide quarterly updates to WUTC Pipeline Safety Director until validation is completed.

**Conclusion**

For the reasons described above, CNGC respectfully requests the Commission grant the proposed extension of time, for CNGC to continue 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. This can be seen in the progress that has been made towards completion of this Revised Compliance Program Item. CNGC continued to make progress in 2024 and believes that substantial compliance has been met, and to the extent work is not complete, it has been due to actions of parties 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 currently anticipate that this extension will impact completion of the other outstanding items required in the Amended Settlement Agreement.