

Agenda Date: December 19, 2024
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

Issue an Order approving Cascade Natural Gas Corporation's (Cascade or Company) request to extend 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.

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. Cascade will document the basis for validation of the MAOP on 100 percent 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. Cascade will document the basis for validation of the MAOP on 100 percent 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 27, 2024, Amended Settlement Agreement 6-month Status Report, that they anticipated not being able to complete the work by the December 31, 2024, deadline.² On November 20, 2024, 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 and facilities with a risk score less than 75. Cascade was unable to complete the validation on the remaining facilities during the 2024 extension timeframe. In the Request, Cascade gives evidence of its current efforts to meet the December 31, 2024,

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 27, 2024.

deadline with the following tables indicating the total number of each unvalidated segment or facilities at the time the Amended Settlement Agreement was signed (March 29, 2018) 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 2024

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

The remaining segments have issues which are outside of Cascade’s control are as follows (note a very detailed explanation was submitted with the extension request):

Work Order #	Pipeline/Segment	Segment Name	Length (ft)	Issue
Fish_968	Pipeline Segment	8” Yakima HP Line	3,032	Easement Issue
Fish_968_Lat_26	Pipeline Segment	8” Yakima HP Line	695	Easement Issue
160	Pipeline Segment	Inlet 032-R-007	70	Easement Issue
211220	Pipeline Segment	3” Burlington HP Line	420	WSDOT Permit
Fish-L7-1	Pipeline Segment	4” Wapato HP Line	33,284	Easement Issue BNSF
YakimaL4-1	Pipeline Segment	3” Prosser HP Line	5,832	Easement Issue BNSF
47C8256	Pipeline Segment	3” Prosser HP Line	309	Easement Issue BNSF

Cascade provided substantive background information in their Request as to why they will not meet the December 31, 2024, deadline. Most of the delays are due to permitting and obtaining necessary easements from local jurisdictions, the Yakima Nation and the BNSF railroad.

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. The new settlement agreement language will read *"Cascade 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."*

Cascade will continue to submit status reports of progress on this and the other validation requirements of the Agreement.

Conclusion

Staff recommends the Commission grant Cascade's request to extend 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.