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CASCADE NATURAL GAS CORPORATION
A Subsidiary of MDU Resources Group, Inc.

8113 WEST GRANDRIDGE BOULEVARD, KENNEWICK, WASHINGTON 99336-7166

June 10, 2011

David Lykken
Director, Pipeline Safety
Utilities & Transportation Commission
1300 S. Evergreen Park Dr. S.W
PO Box 47250
Olympia, WA 98504-7250

Subject: WAC 480-93-020 Request for Approval – 12" Anacortes Phase 1 Project

Dear Mr. Lykken:

Pursuant to the requirements of WAC 480-93-020 Proximity Considerations, Cascade Natural Gas Corporation (CNGC) requests approval to operate a proposed new 12" pipeline at a Maximum Allowable Operating Pressure (MAOP) of 500 psig, within 100 feet of existing structures intended for human occupancy.

This request is a direct result of CNGC's continued efforts to improve to our gas transmission and distribution system infrastructure. CNGC has identified a segment of transmission pipeline that we will be targeting for replacement. The segment of 8 inch diameter pipe was installed in 1956 and is located in a residential neighborhood in the town of Sedro-Woolley, Washington, as shown in the attached map, titled – "12" Anacortes HP Lateral – Phase 1".

Cascade proposes to replace an 8,000 foot segment of 8 inch pipe with a new segment of 12 inch diameter pipe of greater wall thickness and stronger grade of material utilizing current construction practices. We believe that this installation will significantly increase the safety to the public while not diminishing Cascade's ability to provide reliable service to our existing customers. The project located inside the city limits of Sedro-Woolley will begin at Cascade's Sedro-Woolley Gate Station (R-138) at Fruitdale Rd just north of McGarigle Rd and will end at Sapp Rd just west of the BNSF ROW, as shown in the attached map, titled – 12" Anacortes HP Lateral – Phase 1". The proposed 12" pipeline will be designed and tested to establish a MAOP of 500 psig. The stress level at the MAOP will be 16.35% of SMYS and the pipeline will be classified as high pressure distribution main.

The existing 8" transmission line segment through the neighborhood described will be downrated from a MAOP of 400 psig to a MAOP of 60 psig. Additionally this project will allow Cascade to lower the pressure in the remaining transmission line from Sedro-Woolley to Anacortes to below transmission line stress.

The proposed pipeline will be safer to operate and pose reduced risk to the home owners near the proposed route. The new 12" pipeline would also be constructed to allow for the use of internal inspection devices. Presently, the existing 8" transmission pipeline cannot accommodate internal inspection devices.

The new 12" project will include the following:

- 8,000 feet of 12" x 0.375" API 5L Grade X-52 Steel line pipe with fusion bonded epoxy coating.
- All fittings (elbows, tees, caps etc.) will be a minimum standard weight, ANSI 16.9 WPHY-52 to meet or exceed the design rating of the 12" line pipe
- All components (valves, line stoppers, etc.) will be ANSI 300 class with a maximum working pressure rating of 720 psig

The new pipeline will be installed within 100 feet of approximately 65 residential homes and the existing 8" line which operates within 100 feet of the same homes will be downrated from a MAOP of 400 psig to a MAOP of 60 psig.

Other routes considered were dismissed because they would place more homes and businesses within 100 feet of the new 12" high pressure pipeline, in conjunction with the existing 16" Fredonia transmission pipeline which resides in the same corridor as the existing 8" transmission line. The alternative to this proposal is for Cascade to continue performing integrity assessments on the existing 8" transmission pipeline and operate this aging facility in areas of high consequence at a MAOP of 400 psig.

Cascade respectfully requests your approval to move forward with construction and installation of the proposed 12" Anacortes HP Lateral – Phase 1 project. If you have any questions or require additional information, feel free to contact me at (509) 734-4552 or via email at kevin.raschkow@cngc.com

Sincerely,
CASCADE NATURAL GAS

Kevin Raschkow, P.E.
Manager – Engineering Services

CC: Tim Clark
Steve Kessie
Tina Beach
Ryan Privratsky

Enclosures