PG-150120
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Date: September 19, 2025

Subject: Six Month Status Report

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Identification of Documents: 150120-CNG-6-MO-STAT-RPT-09-19-25

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September 19, 2025

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, Six-Month Status Report

Dear Mr. Rukke,

This letter serves as Cascade Natural Gas Corporation's (CNGC) six-month status report as outlined in the Amended Settlement Agreement, Docket PG-150120, between the Staff of the Washington Utilities and Transportation Commission (WUTC) and CNGC.

V. TERMS OF AMENDED AGREEMENT

B. Revised Compliance Program

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.[1]
      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.
      iii. CNGC has identified eight additional segments currently operating at 30% SMYS or above that are missing critical information needed to document the basis for validation of MAOP. CNGC will complete validation of the eight additional segments by December 31, 2018, unless the percent SMYS of a pipeline segment is reduced below 30% through testing or other approved validation methods, in which case CNGC will schedule the segment for validation based on the total risk score of the segment.

[1] Docket PG-150120, Order 08, December 19, 2024, Approval of extension of deadline established in Amended Settlement Agreement

Cascade Response

CNGC continues to make progress completing work to document the basis for validation of the maximum allowable operation pressure (MAOP) of pipeline segments and facilities operating above 60 psig.

The current unvalidated segment and facility count by risk score is shown in the table below.

Total Risk Score ≥ 75	Total Risk Score < 75
4 Pipeline Segments – 1.79 Miles	1,681 Pipeline Segments – 23.40 Miles
0 Facilities	92 Facilities

Pipeline Segments/Facilities with Total Risk Score ≥ 75

Work Order #	Pipeline Segment / Facility	Segment Name / Facility ID	Length (Feet)
Fish_968	Pipeline Segment	8" Yakima H.P. Line	745'
FISH_968_Lat_26	Pipeline Segment	8" Yakima H.P. Line	695'
CNGC has replaced 2,287' of pipeline segment Fish_968. Replacement of the remaining pipe is still held up by not being able to reach an agreement with the property owner for an easement on the west side of the Yakima River. CNGC continues negotiations with the property owner and is also pursuing other legal options if negotiations continue to be unsuccessful.			

Work Order #	Pipeline Segment / Facility	Segment Name / Facility ID	Length (Feet)
211220	Pipeline Segment	3" Burlington H.P. Line	420'
Replacement of this pipeline segment was completed in June.			

Work Order #	Pipeline Segment / Facility	Segment Name / Facility ID	Length (Feet)
Fish-L7-1	Pipeline Segment	4" Wapato H.P. Line	2,200'
CNGC has received the permit for the BNSF railroad crossing at Toppenish and continues to work on a solution to address the BNSF railroad crossing at Wapato. Until the railroad crossing at Wapato is resolved, moving forward with construction is on hold.			

Work Order #	Pipeline Segment / Facility	Segment Name / Facility ID	Length (Feet)
YakimaL4-1	Pipeline Segment	3" Prosser H.P. Line	5,832'
CNGC continues to work with BNSF regarding the requirements for utility installation along Bennett Ave. The request to install the new pipeline along Bennet Ave. is still under review by the BNSF. CNGC hasn't been given any details from BNSF when the review will be completed. Until the situation along Bennett Ave. is resolved and approved by BNSF, moving forward with construction is still on hold.			

Along with the projects highlighted above, pipeline segments and facilities with total risk score less than 75 have also been validated or are in the process of being validated.

b. **COMPLETED:** Validation of highest risk pipeline segments: CNGC has identified five segments currently operating at 30% specified minimum yield strength (SMYS) or above that are missing critical information necessary to document the basis for validation of MAOP. CNGC will complete validation of all five segments by December 31, 2017.

c. **COMPLETED:** CNGC has retained TRC Pipelines Service LLC (TRC) to complete a records review of all remaining pipelines operating above 60 psig. The TRC MAOP records review will be completed by the end of first quarter 2017.

d. **COMPLETED:** CNGC will incorporate any additional pipeline segments operating above 60 psig that have been identified by TRC's review as missing critical information necessary to document the basis for validation of MAOP into the risk matrix to identify mitigation prioritization.

   i. **COMPLETED:** CNGC will submit an updated timeline/plan that includes the additional segments to Commission Staff by December 31, 2017.

   ii. **COMPLETED:** CNGC and Commission Staff will file an Amended Settlement Agreement with the Commission by March 31, 2018, that reflects a completion date by which CNGC will document the basis for validation of all the high pressure (greater than 60 psig) MAOP for the additional segments identified by TRC. **The Amended Settlement Agreement will include a $500,000 suspended penalty, imposed in full if CNGC fails to comply with the completion date associated with any new high pressure segments identified by TRC.**

   If CNGC and Staff disagree on a completion date, they commit to discuss the nature of the disagreement and to work cooperatively to resolve it. If agreement on the timeline cannot be reached in this way, either Staff or CNGC (or both) may bring the matter to the Commission for decision in a petition to enforce this Agreement.

2. **COMPLETED:** CNGC will prioritize the work set forth in No. 1 above, with priorities established for pipeline segments based on risk to public safety. Risk considerations will include but are not limited to:

   a. Segment class location;
   b. Location of high consequence areas;
   c. Segment SMYS percentage based on the most stringent criteria for missing pipe characteristics;
   d. Pipe vintage with special consideration for pre-code pipe with unknown characteristics;
   e. Pipe material, installation characteristics, or maintenance records that indicate increased risk; and
   f. Low frequency electric resistance welded (ERW) and unknown seam types when SMYS >25%.

3. **ONGOING:** All unvalidated pipeline segments with preliminary SMYS calculations of 20% or greater will be leak surveyed a minimum of four (4) times annually. Once information is available to substantiate SMYS below 20% or to validate the MAOP of a pipeline segment, that pipeline segment will return to leak survey intervals prescribed by code. CNGC will notify Commission Staff when a pipeline segment returns to code-based survey intervals and will make available for Commission Staff inspection documentation of the basis for the action.

Cascade Response

No unvalidated pipeline segments at SMYS 20% or greater being leak survey per this requirement.

4. **ONGOING:** All unvalidated pipeline segments with low frequency seam welds or unknown seam types, with preliminary SMYS calculations of over 30%, shall be maintained at a 20% pressure reduction. Once information becomes available to identify seam type as not low frequency ERW or to substantiate SMYS below 30%, pipeline segments will return to previous operating pressure. CNGC will notify Commission Staff when a pipeline segment returns to a previous operating pressure and will make available for Commission Staff inspection documentation of the basis for the action.

Cascade Response

No pipeline segments are under a 20% pressure reduction per this requirement.

5. **ONGOING:** Line segments preliminarily calculated at greater than 20% SMYS will be incorporated into CNGC's transmission integrity management program (TIMP). Baseline assessments for said pipe will be completed by December 31, 2020. Upon completion of MAOP validation, CNGC's TIMP and distribution integrity management program (DIMP) will be re-evaluated and updated as required.[2]

Cascade Response

Notification letter was submitted through the WUTC Records Center on September 14, 2021, outlining the completion of this compliance item.

7. **COMPLETED:** CNGC will submit to a third party audit to determine baseline variance from the standards set forth in American Petroleum Institute (API) Recommended Practice 1173, Pipeline Safety Management Systems (PSMS). Commission Staff will provide input on the selection of the consultant. At a minimum, the audit will review the following company elements:

    a. Leadership and management commitment
    b. Stakeholder engagement
    c. Risk management
    d. Operational controls
    e. Incident investigation, evaluation and lessons learned
    f. Safety assurance
    g. Management review and continuous improvement
    h. Emergency preparedness and response
    i. Competence, awareness, and training
    j. Documentation and record keeping

    Upon completion of the audit, CNGC will submit the consultant's report to the Commission. The third-party audit and written report will be completed by December 31, 2017. **The Commission will impose a $500,000 suspended penalty if CNGC fails to submit the consultant's report by December 31, 2017.** The results of the third-party audit shall not be the basis for Staff recommendations of additional penalties against CNGC and if the third-party audit identifies violations of code, CNGC shall have a reasonable opportunity to correct such violations.

[2] Order 06, December 10, 2020, approval for the extension of deadline established in Amended Settlement Agreement Docket PG-150120

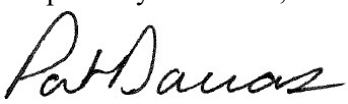
8. **ONGOING:** CNGC will commence a program to align its operations with the standards of API Recommended Practice 1173. Commission Staff will review CNGC's progress in implementing these operational changes. API 1173 is a recommended practice and, as such, compliance with API 1173 may be subject to audit but shall not be the basis for penalties.

Cascade Response

Notification letter was submitted through the WUTC Records Center on September 9, 2021, outlining the completion of this compliance item.

If you have any questions or comments, please contact Ryan Privratsky at (509) 734-4599.

Respectfully Submitted,



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