

**Pipeline Replacement Program Plan**  
**Cascade Natural Gas Corporation**  
**2015**

*in accordance with*  
**Policy Statement in Docket No. UG-120715**

## Required Contents: Checklist and Table of Contents

Policy Statement		Section/Page
<p>The pipe replacement program plan should consist of three parts:</p> <p>(1) a “master” plan for replacing all pipes with an elevated risk of failure;</p>	<p>In support of its pipe replacement program plan, each gas company should demonstrate that the type of pipe to be replaced under its program presents an elevated risk of cracking, leakage, breakage or other failure. The gas company should explain why the particular type(s) of pipe presents an elevated risk, such as the physical qualities of the pipe as manufactured (e.g., low ductile plastic pipe), the condition of the pipe as installed (e.g., poor soil conditions) or as maintained (e.g., no cathodic protection), the age of the pipe, etc.</p> <p>The gas company should also provide detailed analysis and explanation demonstrating why the pipe it seeks to replace is appropriate for replacement, compared to other pipe. To the extent practical, the gas company should quantify and explain the degree to which risk of failure is elevated for such pipe, compared to other pipe.</p>	<p><b>Section 1 – Master Plan</b></p> <p>Page 3</p>
<p>(2) a two-year plan that specifically identifies the pipe replacement program goals for the upcoming two year period;</p>	<p>The first pipe replacement program plan shall be filed by June 1, 2015, covering planned pipe replacement through October 2016.</p>	<p><b>Section 2 – Two-Year Plan</b></p> <p>Page 5</p>
<p>and (3) if applicable, a plan for identifying the location of pipe that presents elevated risk of failure.</p>	<p>A prudent pipe replacement program should contain a plan for identifying the location of elevated risk pipe; to the extent the gas company does not presently know the location. The plan should include a timetable under which the gas company will know the location of its elevated risk pipe.</p> <p>The Commission will not require a gas company to know the location of all of its elevated risk pipe as a prerequisite for having a pipe replacement program consistent with the policy statement. A pipe replacement program may focus initially on pipe for which the gas company knows the location.</p>	<p><b>Section 3 – Identification Plan</b></p> <p>Page 6</p>

## **Introduction**

On December 31, 2012, the Washington Utilities and Transportation Commission issued a policy statement in Docket UG-120715 for the accelerated replacement of natural gas pipeline facilities with elevated risk. This policy statement requires each gas company requesting a special pipe replacement cost recovery mechanism (CRM) to file with the Commission a pipe replacement program plan containing the following elements:

- 1. A "master" plan for replacing all pipes with an elevated risk of failure*
- 2. A two-year plan that specifically identifies the pipe replacement goals for the upcoming two year period*
- 3. A plan for identifying the location of pipe that presents elevated risk of failure*

## **Section 1 -Master Plan**

This Master Plan will serve as the guide that Cascade Natural Gas Corporation (Cascade) will use to determine which pipelines should be replaced as part of the Pipe Replacement Program. This Master Plan will describe the possible risks that can be associated with a pipeline, how the pipelines are analyzed to assess and quantify risks, how the pipelines to be replaced are identified, and how information for identified and new risks is obtained. The Master Plan will also describe the role that Cascade's Distribution Integrity Management Plan (DIMP) plays in the Pipe Replacement Program.

### *Possible Risks*

Cascade operates pipelines that are classified as Pre-CNG piping systems. Pre-CNG pipelines are distribution systems that were constructed to distribute manufactured gas. These pipelines were originally installed, owned, operated, and maintained by others prior to 1955, before natural gas was introduced to the Pacific Northwest. Cascade acquired a number of these systems in the late 1950s and throughout the 1960s. The condition of the pre-CNG pipe is bare steel or coal tar wrapped. This pipe is of concern since it is at least 60 years old and lacked cathodic protection until the early 1970s, leaving the pipe suspect to corrosion risk. The extent of this pipe varies throughout Cascade systems and depends on the history of the system and how it was acquired by Cascade. Gas distribution systems in Washington where the majority of this pre-CNG pipe resides are in the towns of Longview, Anacortes, and Shelton.

In addition to the risks inherent with Pre-CNG pipelines, Cascade's pipelines are exposed to risks due to the following factors:

- Corrosion
- Natural Forces
- Excavation Damage
- Other Outside Force Damage

- Material, Weld, or Joint Failure
- Equipment Failure
- Incorrect Operation
- Missing Data
- Other – Forces unique to a particular area on the system

Cascade’s DIMP describes these risks in greater detail. Cascade’s DIMP is on file with the Commission’s Pipeline Safety Division.

#### *Analysis and Quantification*

As part of Cascade’s DIMP, a GIS-based model has been created and is maintained. Information collected as part of DIMP is input into the model, where it is analyzed to find areas of concern and also trends. This allows Cascade to quantify the risk associated with each pipeline based on factors that are pertinent to this Pipe Replacement Program. Cascade’s DIMP contains a more detailed explanation of this process.

#### *Identification of Pipelines for Replacement*

DIMP model results, modified to remove weighting factors that increase risk due to factors that do not apply to the intent of the Pipe Replacement Program (i.e. – excavation damage and natural forces) are used to identify the locations of pipelines that should be considered for replacement. Samples of the DIMP model outputs for the areas identified in Section 2 of this document are included in Appendix A. Once replacement locations are identified, specific projects within these areas are planned and prioritized based on coordination with district and on-site personnel considered to be Subject Matter Experts (SMEs). This helps ensure the replacement of the higher risk pipelines within the identified areas.

#### *Obtaining New Information*

Cascade obtains new information for their DIMP model and Pipe Replacement Plan through the following methods:

1. Observing trending on DIMP – the DIMP model is analyzed on a yearly basis. As part of this analysis trends are identified and the plan and/or model are modified as needed.
2. Company forms that gather information on exposed pipelines – every time a Cascade pipeline is exposed an Integrity Management Dig Report – Form 625 is completed. Additionally, all leaks are documented with a Leak Investigation – Form 293. Information from these forms is input into the DIMP model.

3. Continuing Subject Matter Expert (SME) panel meetings – SME panel meetings are held on an as appropriate basis, at least once annually. Information from the panel meetings is used to validate the DIMP model and new information is input into the DIMP model.
4. Updating model annually – Cascade’s DIMP model is updated annually. Results of the model analysis are used to prioritize pipeline replacement projects.

Cascade’s DIMP describes these methods in greater detail.

**Section 2 - Two Year Plan**

Cascade’s two year plan has been divided into three separate time periods. The time periods and the projects that are proposed for each are listed below.

*November 1, 2014 – October 31, 2015*

PROJECT	DISTRICT	JUSTIFICATION
CRM RPL ANACORTES BARE STEEL	MT. VERNON	BARE STEEL/PRE-CNG PIPE - IDENTIFIED HIGH (RED) RISK IN DIMP
CRM 3" BURLINGTON HP LINE REPL	MT. VERNON	PRE-CNG PIPE - IDENTIFIED HIGH (RED) RISK IN DIMP
CRM WENATCHEE RIV RR BRIDGE RPL	WENATCHEE	PRE-CNG PIPE - IDENTIFIED HIGH (RED) RISK IN DIMP
CRM 4" GRANDVIEW HP LINE #3 RPL	YAKIMA	PRE-CNG PIPE - IDENTIFIED HIGH (RED) RISK IN DIMP
CRM BELLINGHAM BRIDGE CROSSINGS RMV	BELLINGHAM	PRE-CNG PIPE - IDENTIFIED HIGH (RED) & MODERATE (ORANGE) RISK IN DIMP
CRM DAKOTA CREEK BRIDGE RELOCATE	BELLINGHAM	EXPOSED PIPE SUSCEPTIBLE TO CORROSION RISK - MODERATE (ORANGE)
CRM SUNNYSIDE 2" IP MAIN RPL	YAKIMA	PROJECT WILL REPLACE HOUSE PIPING SERVING MULTIPLE BUILDINGS
CRM RPL LONGVIEW BARE STEEL	LONGVIEW	BARE STEEL/PRE-CNG PIPE - IDENTIFIED HIGH (RED) RISK IN DIMP
CRM KELSO MILL STREET REPLACEMENT	LONGVIEW	BARE STEEL/PRE-CNG PIPE - IDENTIFIED HIGH (RED) RISK IN DIMP
CRM KELSO GRADE ST BRIDGE RELOCATE	LONGVIEW	EXPOSED PIPE SUSCEPTIBLE TO CORROSION RISK - MODERATE (ORANGE)
CRM BREMERTON HWY 3 CASING REMOVAL	BREMERTON	PIPE IN CASING - MODERATE (ORANGE) RISK IN DIMP
CRM COLLEGE PLACE CARS PROJECT	WALLA WALLA	MODERATE (ORANGE) RISK IN DIMP
CRM SHELTON 4" IP BRIDGE REPLACE	ABERDEEN	EXPOSED PIPE (CORROSION) IN ADDITION TO MODERATE (ORANGE) RISK IN DIMP
CRM VANCE CREEK EXPOSURE REPLACE	ABERDEEN	EXPOSED PIPE (CORROSION) IN ADDITION TO MODERATE (ORANGE) RISK IN DIMP
CRM CAMP CREEK EXPOSURE REPLACEMENT	ABERDEEN	EXPOSED PIPE (CORROSION) IN ADDITION TO MODERATE (ORANGE) RISK IN DIMP
CRM RP; 4"HP MAIN, LACONNER	MT. VERNON	EXPOSED PIPE (CORROSION) IN ADDITION TO MODERATE (ORANGE) RISK IN DIMP
CRM 8" BELLINGHAM LINE #1	BELLINGHAM	PRE-CNG PIPE - IDENTIFIED MODERATE (ORANGE) RISK IN DIMP
CRM 8" STL BORE, BURLINGTON	MT. VERNON	PRE-CNG PIPE - IDENTIFIED HIGH (RED) RISK IN DIMP

These projects were identified through Cascade’s DIMP model and are both intermediate pressure (IP) (<60 psig) and high pressure (HP).

*November 1, 2015 – October 31, 2016*

PROJECT	DISTRICT	JUSTIFICATION
CRM RPL ANACORTES BARE STEEL	MT. VERNON	PRE-CNG/BARE STEEL PIPE
CRM RPL LONGVIEW BARE STEEL	LONGVIEW	PRE-CNG/BARE STEEL PIPE
CRM KELSO MILL STREET REPLACEMENT	LONGVIEW	PRE-CNG/BARE STEEL PIPE
CRM VANCE CREEK EXPOSURE REPLACE	ABERDEEN	EXPOSED PIPE SUSCEPTIBLE TO CORROSION RISK
CRM CAMP CREEK EXPOSURE REPLACEMENT	ABERDEEN	EXPOSED PIPE SUSCEPTIBLE TO CORROSION RISK
12" LONGVIEW HP REPLACEMENT - PH I	LONGVIEW	PRE-CNG/BARE STEEL PIPE
SHELTON BARE STEEL REPLACEMENT - PH I	ABERDEEN	PRE-CNG/BARE STEEL PIPE
3" BURLINGTON HP LINE	MT. VERNON	1950S VINTAGE STEEL PIPE
8" ATTALIA HP LINE	KENNEWICK	1950S VINTAGE STEEL PIPE

These projects were also identified through Cascade's DIMP model. The majority are intermediate pressure (IP) (<60 psig) pipelines and all are pre-CNG.

The projects listed in these tentative schedules are based on the best information available at this time. As more information becomes available and the DIMP model is updated, the prioritization of the projects may change.

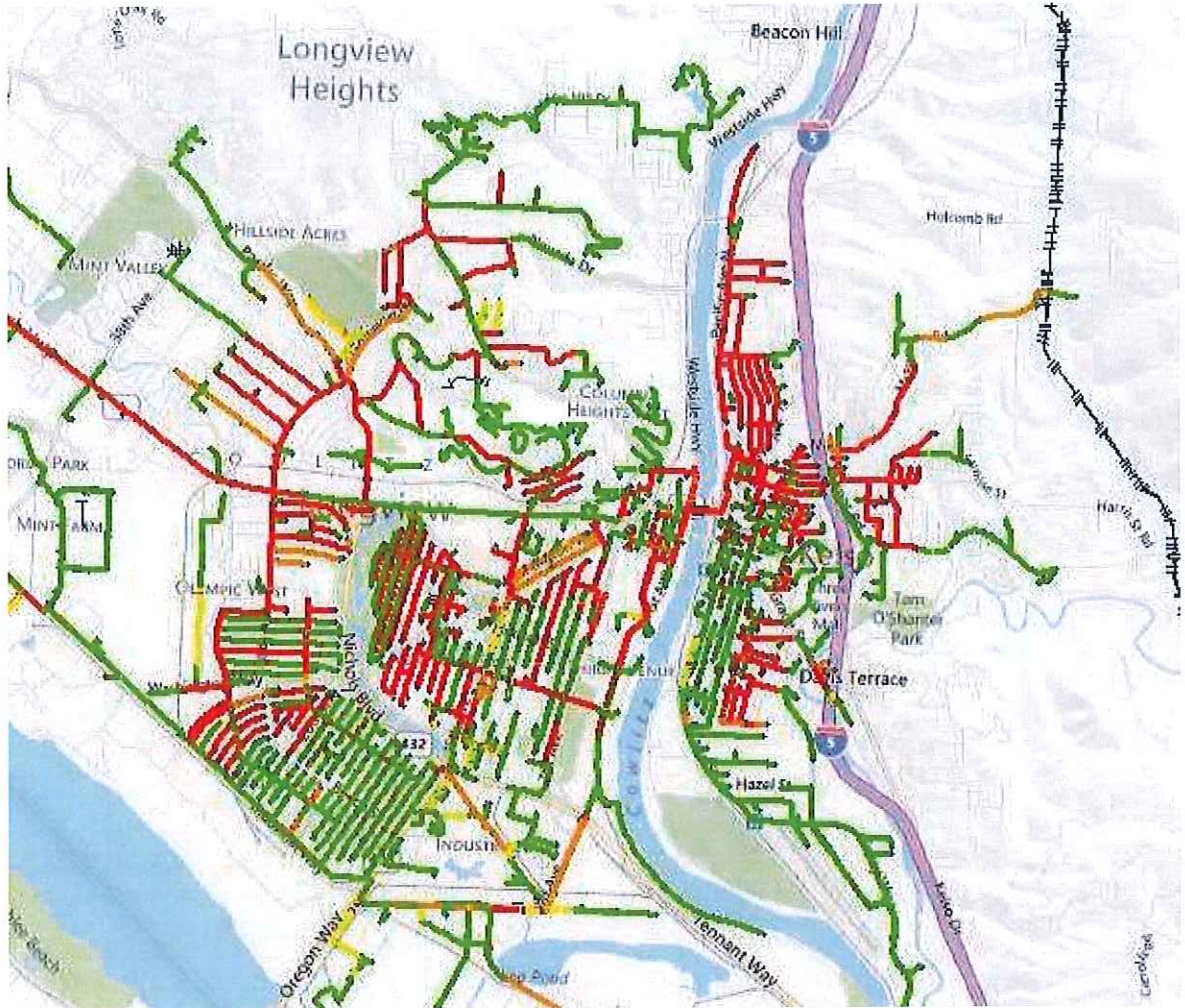
The projects identified above are anticipated to have no more than an annual 1% increase to rates in the accompanying annual Cost Recovery Mechanism (CRM). Unknown or unanticipated future projects that are subsequently identified via the application of the DIMP model will impact annual recovery requests.

### **Section 3 - Plan for Identifying the Location of Pipe that Presents Elevated Risk of Failure**

Cascade identifies the location of pipe that presents an elevated risk of failure through the DIMP plan and model. The plan calls for information to be gathered on exposed pipe, leaks to be tracked, and SME knowledge to be incorporated into the plan. In addition, the plan has sufficient flexibility to identify and adjust to trends and new sources of information. Yearly analyses are performed that quantify the risks on each pipeline.

As outlined in Cascade's DIMP, additional or accelerated (A/A) actions are implemented when existing compliance activities and procedures need to be supplemented to address risk identified to the integrity of Cascade's distribution system. A/A actions that may be implemented to mitigate risk are outlined in Cascade's DIMP, as well as the requirements for implementation and documentation.

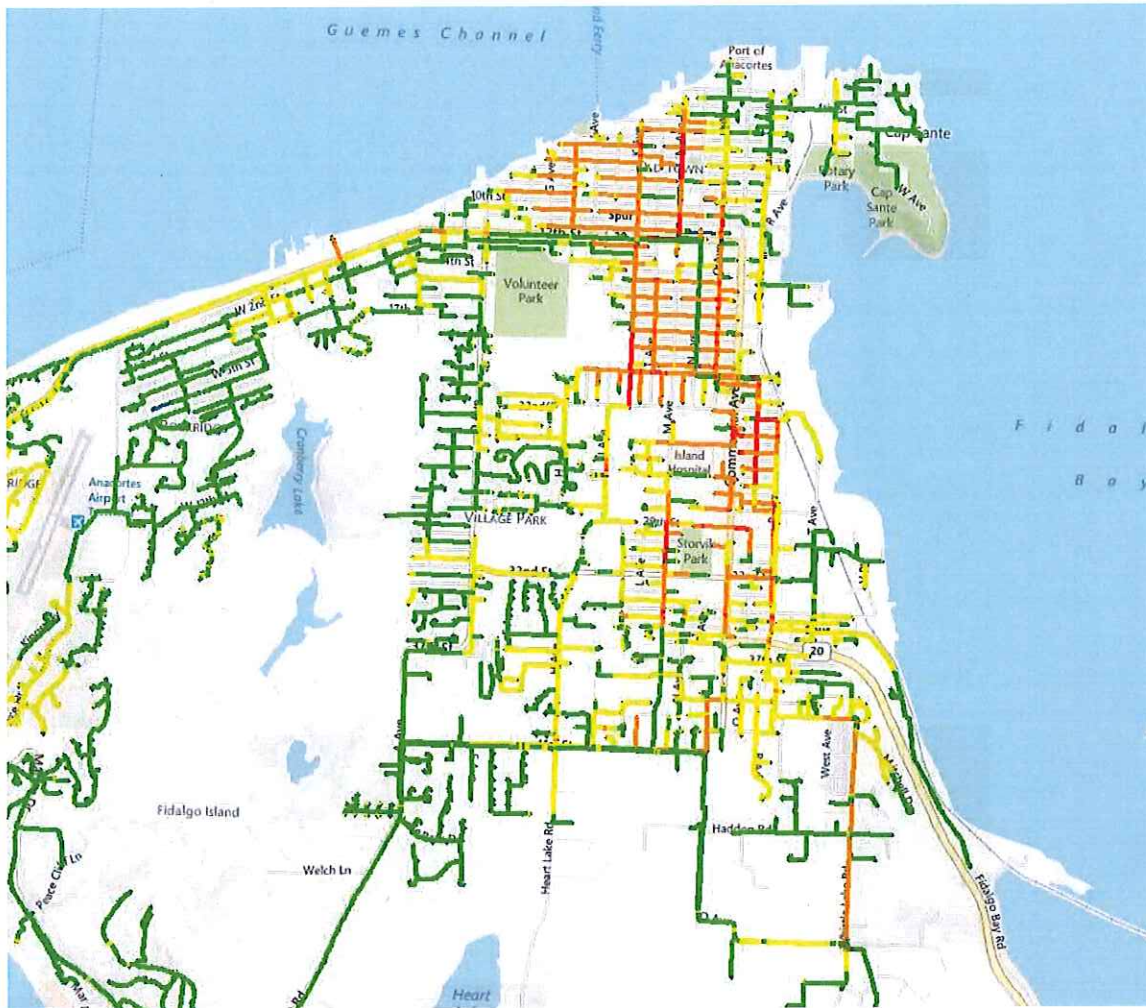
**APPENDIX A  
DIMP MODEL OUTPUT  
LONGVIEW/KELSO, WA**



\*Areas in red represent highest risk areas.



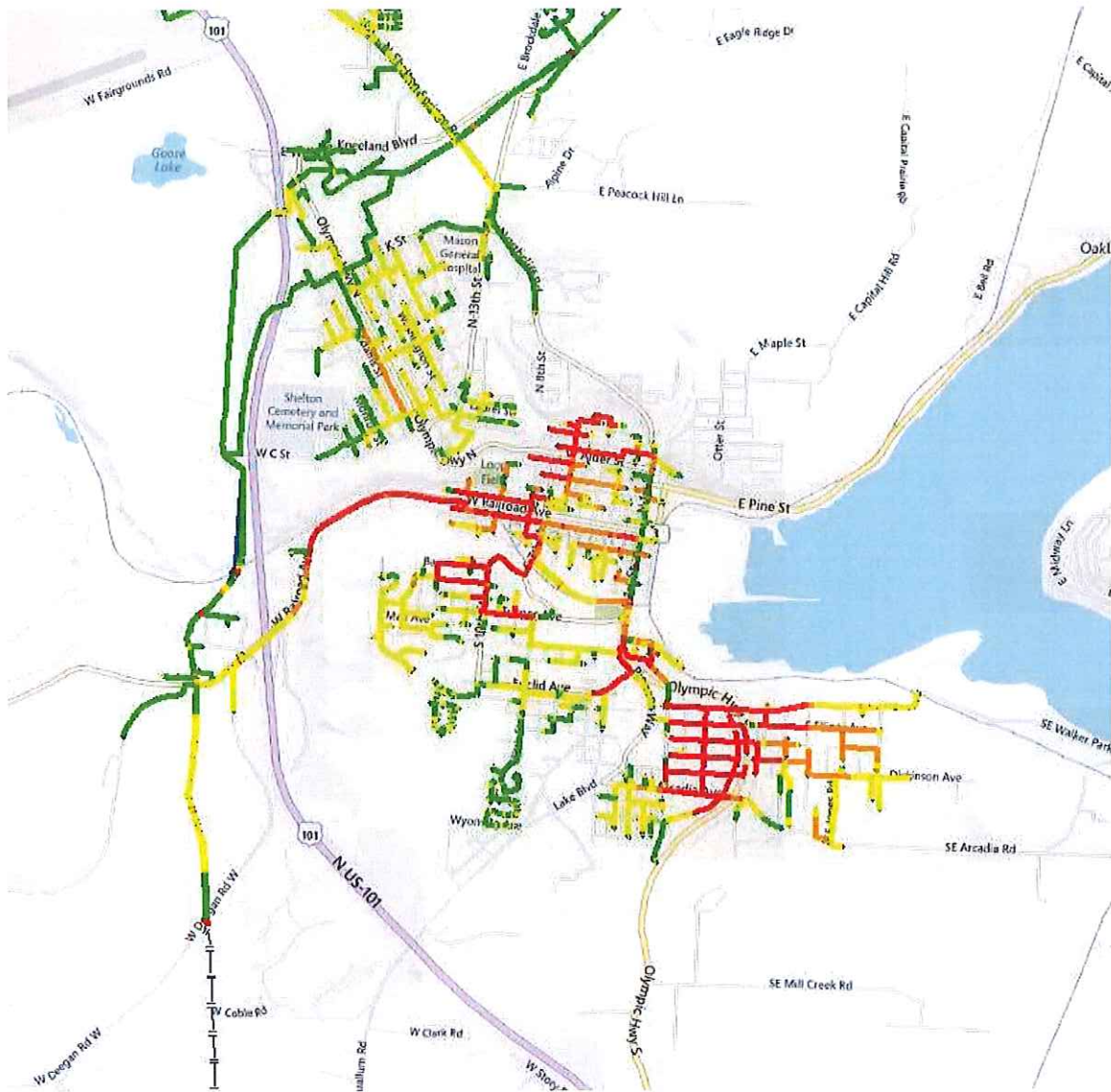
# ANACORTES, WA



\*Areas in red represent highest risk areas.

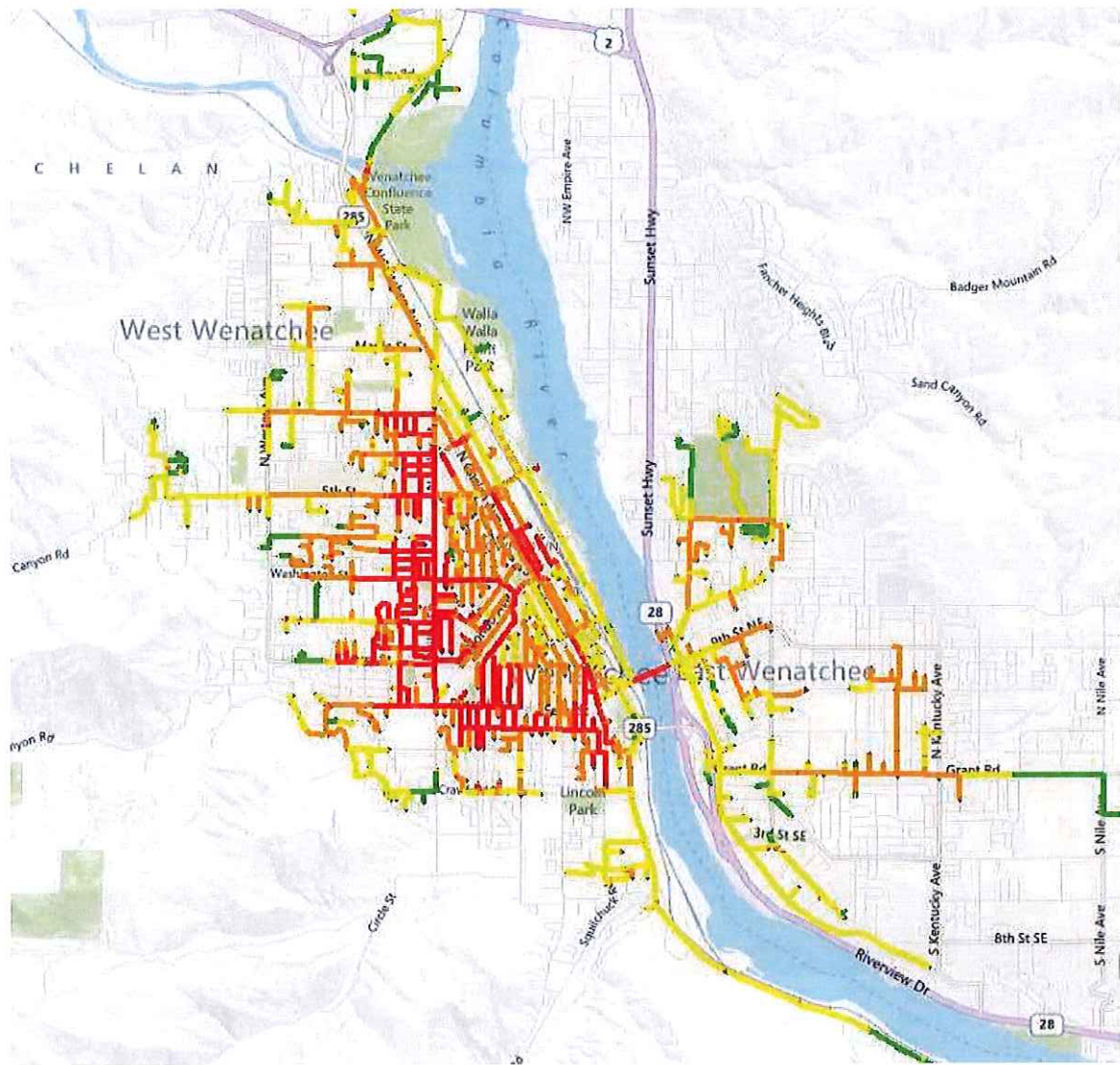


# SHELTON, WA



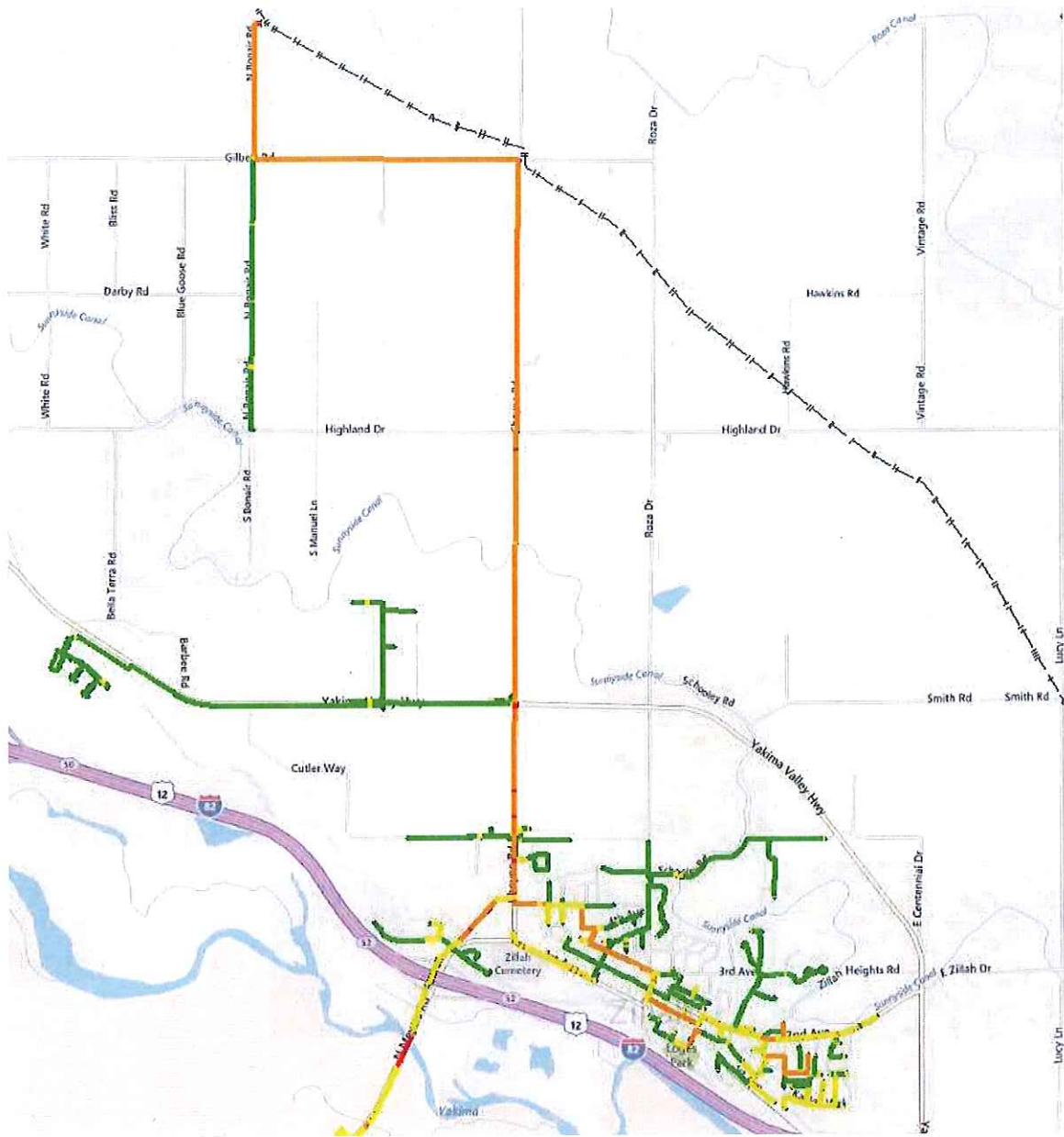
\*Areas in red represent highest risk areas.

# WENATCHEE, WA



\*Areas in red represent highest risk areas.

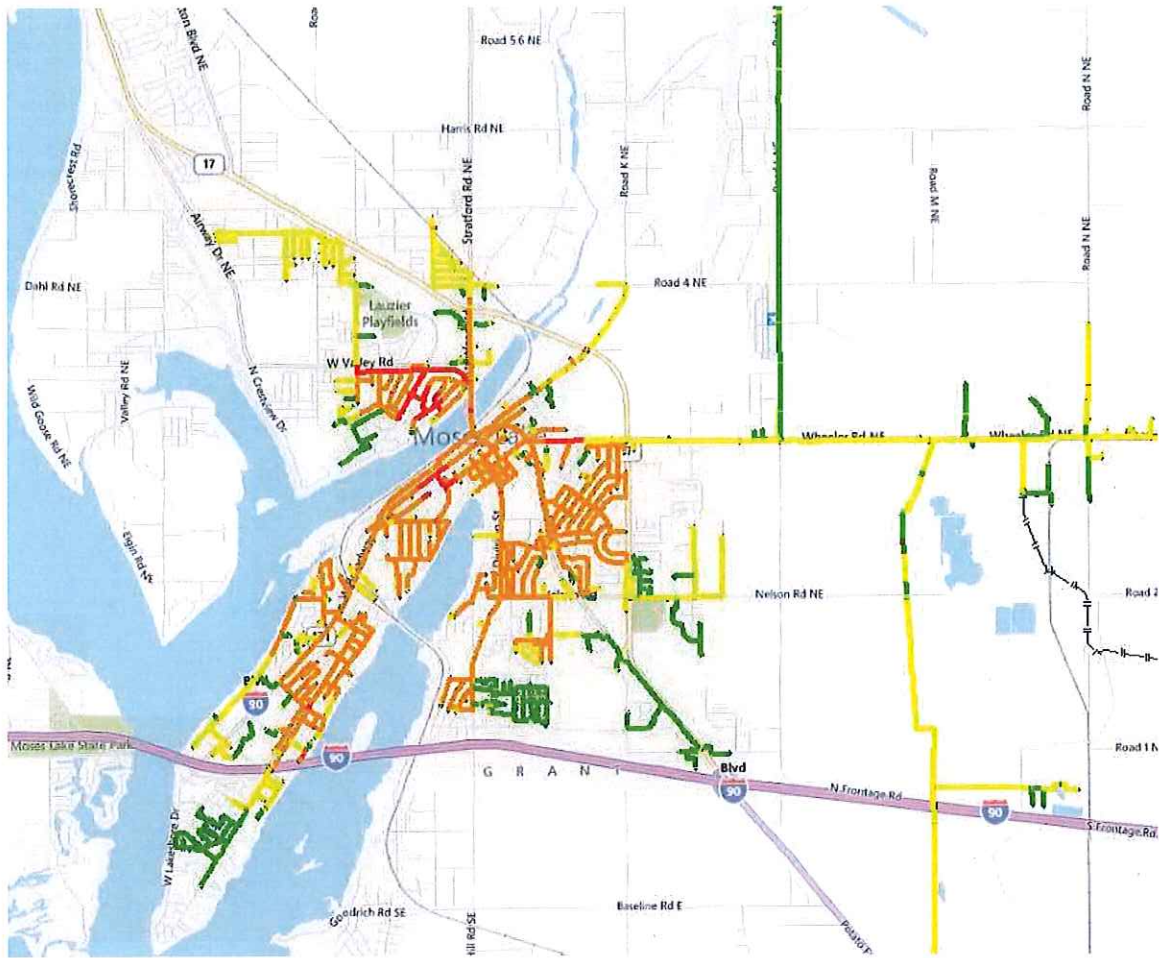
# ZILLAH, WA



\*Areas in red represent highest risk areas.



# MOSES LAKE, WA

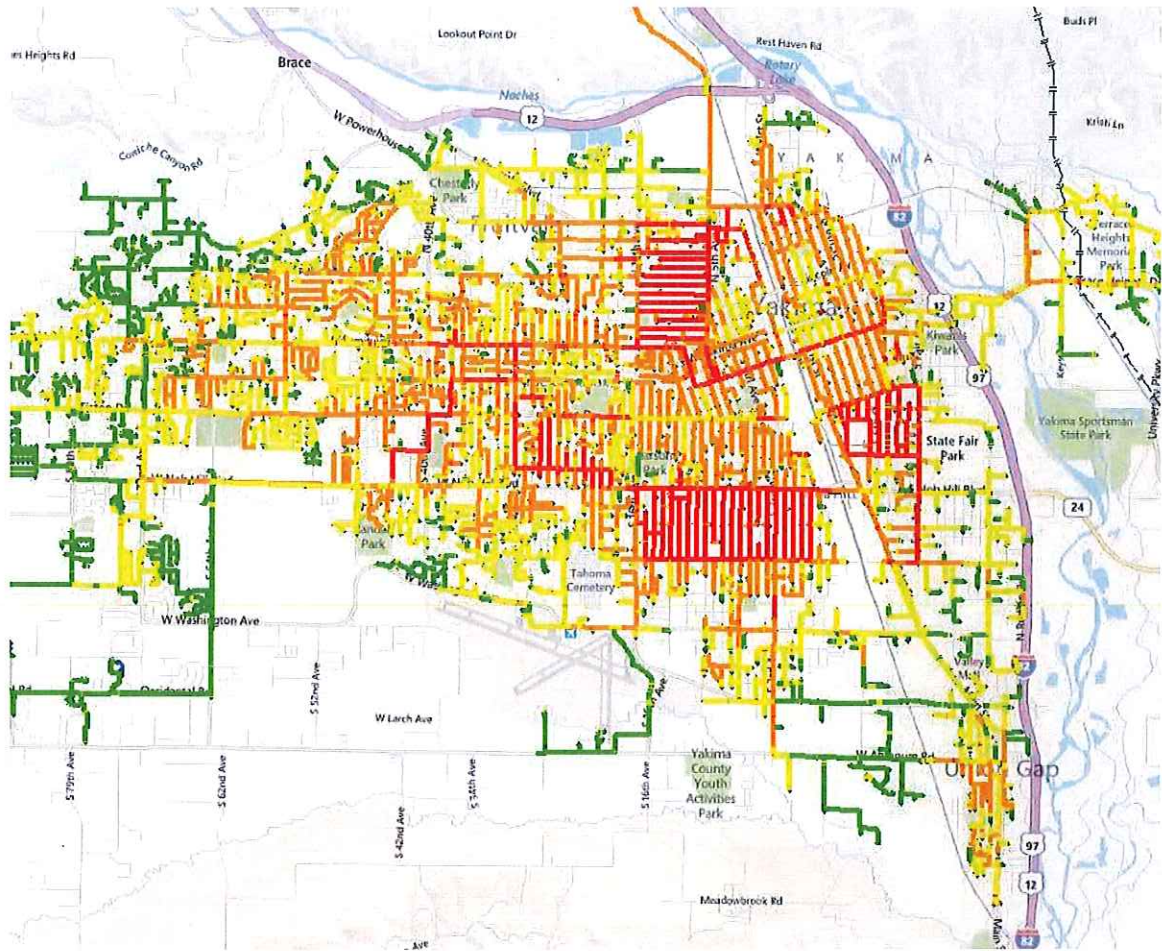


\*Areas in red represent highest risk areas.





# YAKIMA, WA



\*Areas in red represent highest risk areas.