

**BEFORE THE WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

CASCADE NATURAL GAS CO.,

Respondent.

DOCKET PG-230800

COMPLAINT

and

NOTICE OF VIRTUAL
PREHEARING CONFERENCE
**(Set for April 25, 2025, at 9:30
a.m.)**

1 The Washington Utilities and Transportation Commission (Commission), on its own motion, and through its staff, alleges as follows:

I. OVERVIEW

2 The Commission issues this complaint against Cascade Natural Gas Company (“Cascade” or “Company”) for violations of state law, federal law, and administrative rule on or about September 22, 2023, and during the preceding weeks. Those violations resulted in a Liquefied Natural Gas (“LNG”) release, ignition, and fire, as well as injuries to several workers, including one fatality. Commission staff (“Staff”) seeks an order finding violations and assessing monetary penalties against Cascade.

II. PARTIES

3 The Washington Utilities and Transportation Commission is an agency of the state of Washington, authorized by state law to regulate the rates, services, facilities, and practices of public service companies, including gas companies, under the provisions of Title 80 and Title 81 Revised Code of Washington (“RCW”).

4 Cascade, a subsidiary of Montana Dakota Utilities, is an investor-owned utility that provides natural gas services in various areas in Washington. Cascade is a corporation doing business in the state of Washington. Cascade owns, maintains, and operates natural gas pipelines and appurtenances in Washington State, making it a gas company under state law. RCW 81.88.010(4). Cascade is subject to the Commission’s jurisdiction in the operation, maintenance, and safety of its pipelines. RCW 81.88.065(1) and WAC 480-93-

007(1). Pursuant to RCW 81.88.065(1) and WAC 480-93-007(3), Cascade maintains responsibility for contractors and subcontractors that engage in conduct that violates state law and commission rules applicable to gas pipeline companies.

III. JURISDICTION

5 The Commission has jurisdiction over this matter pursuant to RCW 80.01.040; RCW 81.01.010; Chapter 81.04 RCW including RCW 81.04.110, RCW 81.04.380, RCW 81.04.385, RCW 81.04.387, and RCW 81.04.460; Chapter 81.88 RCW including RCW 81.88.040 and RCW 81.88.065; and Chapter 480-93 of the Washington Administrative Code (“WAC”), including WAC 480-93-007.

IV. FACTUAL ALLEGATIONS

6 Cascade, a subsidiary of Montana Dakota Utilities, is an investor-owned utility that provides natural gas services in various areas in Washington.¹ In the years preceding the incident that is the subject of this complaint, Cascade acquired many small gas systems throughout Washington.² For many of the acquired operating pipelines, the maximum allowable operating pressure (“MAOP”) could not be verified as the pipeline characteristics or testing information (or both) were unavailable.³ In Docket PG-150120, the Commission ordered Cascade to validate the MAOP for pipelines where such information was unavailable or could not be verified.⁴ Cascade was required to perform these tests on high-pressure supply lines to the towns of Toppenish, Granger, Wapato, and Zilla, all located in Yakima County, Washington.⁵

7 To conduct MAOP validation testing, Cascade set-up mobile LNG sites for the purpose of continuity of service during high-pressure supply testing.⁶ These sites operated by trucking in LNG, which was subsequently stored on-site in “queen” trailers, then vaporized and fed into Cascade’s system to serve customers.⁷ Natural gas is liquified when it is cooled to cryogenic temperatures, roughly -260 degrees Fahrenheit, making LNG a cryogenic liquid.⁸ Natural gas is converted to its liquid state for situations where

¹ Investigation Report at 2.

² *Id.*

³ *Id.* at 2-3.

⁴ *Id.* at 3.

⁵ *Id.*

⁶ *Id.*

⁷ *Id.* Cascade had previously set up and operated sites similar to the one at issue in this complaint in Granger, Washington, and Finley, Washington, in 2022 and in Wenatchee, Washington in 2023. The company provided no notice to the Commission that it was doing so. *Id.* at 2.

⁸ *Natural Gas Explained: Liquified Natural Gas*, U.S. ENERGY INFORMATION ADMINISTRATION, *available at* <https://www.eia.gov/energyexplained/natural-gas/liquefied-natural-gas.php> (last visited Jan. 6, 2025).

the gaseous substance cannot be transported by pipelines,⁹ such as trucking it to mobile LNG sites.

- 8 Cascade hired Sapphire Energy Solutions (“Sapphire”) to supply and feed LNG into Cascade’s system.¹⁰ Sapphire subcontracted with two trucking companies, ATI Trucking and Southern Pines Trucking (“Southern”), to transport the LNG from the LNG plant to the mobile LNG site.¹¹
- 9 Sapphire set up one such mobile LNG site in Toppenish, Washington.¹² ATI Trucking and Southern began delivering LNG to this plant on July 30, 2023.¹³ Ultimately, Southern delivered 51 different loads of LNG to the Toppenish plant on 31 different dates between July 30, 2023, and September 22, 2023.¹⁴
- 10 LNG delivery to the mobile LNG site in Toppenish, Washington began on July 30, 2023,¹⁵ and on August 14, 2023, Sapphire began operating the site by pumping LNG into Cascade’s system.¹⁶
- 11 On September 22, 2023, RP, a driver employed by Southern, arrived with an LNG delivery at the Toppenish site at approximately 9:39 AM.¹⁷ There were two Sapphire employees working at the site, CM and DB.¹⁸ CM assisted RP with backing RP’s truck into the unloading area; DB then proceeded to hook up a transfer hose from RP’s truck to the delivery queen.¹⁹
- 12 Sapphire policies, as outlined in the Master Transportation Agreement, require that “all drivers follow all site safety procedures[.]”²⁰ Sapphire policies in the Master Transportation Agreement also required that drivers have on their person “proper FR (fire retardant) clothing.”²¹ Sapphire policies require that all operators handling cryogenic liquid be equipped with a “flame resistant long sleeve shirt.”²² The Master Transportation Agreement incorporated Sapphire policies and procedures and required “all drivers follow all site safety procedures on pick-up and deliveries for all Shipments. This

⁹ *Id.*

¹⁰ Investigation Report at 3.

¹¹ *Id.* at 2, 4.

¹² *Id.* at 3.

¹³ *Id.* 3, 4.

¹⁴ *Id.* at 3, 5.

¹⁵ *Id.* at 3.

¹⁶ *Id.*

¹⁷ *Id.* at 2, 3.

¹⁸ *Id.* at 2.

¹⁹ *Id.* at 3.

²⁰ *Id.* at 11.

²¹ *Id.*

²² *Id.* at 12.

includes, but is not limited to, wearing or maintaining the following protective equipment . . . Proper FR (fire retardant) clothing i. long sleeve shirt or ii. Coveralls or iii. Uniform.”²³ However, RP was not provided with any flame-retardant PPE.²⁴

- 13 Transfer of LNG began at approximately 9:50 AM.²⁵ During deliveries, Sapphire employees were responsible for unloading LNG.²⁶ RP did not exit the truck cab to confirm that delivery was complete.²⁷
- 14 During transfers, Sapphire employees are responsible for guiding transfer trailers, chocking wheels, grounding the trailers, and hooking up the transfer hoses.²⁸ In deliveries prior to the September 22, 2023, delivery, trailer wheels were chocked according to Sapphire procedures.²⁹ The trailer wheels were not chocked during RP’s September 22, 2023, delivery, as after the incident the chocks were found inside the trailer and RP stated he did not feel resistance when he drove the trailer away.³⁰
- 15 Typically, the next pick-up and delivery are coordinated between drivers and Sapphire’s DOT coordinator via text or phone call after the unloading of LNG is complete.³¹ Additionally, at the end of a transfer, the on-site lead technician for Sapphire collects the paperwork from the driver.³² Due to the DOT coordinator being on vacation the day of the incident,³³ CM communicated the next pick-up and delivery information.³⁴ This communication and collection of the Bill of Lading, Tour Data Sheet, and Heavy Scale from RP occurred approximately 20 minutes into the LNG transfer.³⁵ RP took this communication to mean that the transfer was complete.³⁶
- 16 Typically, LNG transfers take one to two hours to complete.³⁷ After being given his next pick-up and delivery information and transferring the paperwork, RP did not get out of the truck to confirm the transfer was complete, nor did he ask CM if the transfer was complete.³⁸ Instead, approximately 25 minutes into the transfer process, RP started the

²³ *Id.* at 11.

²⁴ *Id.* at 4, 12, 14.

²⁵ *Id.* at 5.

²⁶ *Id.* at 3, 4.

²⁷ *Id.* at 4.

²⁸ *Id.* at 3.

²⁹ *Id.* at 4.

³⁰ *Id.*

³¹ *Id.*

³² *Id.*

³³ *Id.*

³⁴ *Id.*

³⁵ *Id.*

³⁶ *Id.*

³⁷ *Id.* at 3, 4.

³⁸ *Id.* at 4.

truck and began driving away while the truck was still connected to the transfer queen.³⁹ This resulted in the LNG transfer hose detaching from the on-site queen storage trailer, releasing LNG.⁴⁰

- 17 The released LNG developed into a vapor cloud, which began to surround the truck and on-site queen storage trailer.⁴¹ The visible cloud alerted RP to a problem, and he stopped the truck, got out of the cab, and initiated the emergency shut down (“ESD”) procedures to stop the flow of LNG from his truck.⁴² RP had on a hardhat and face shield when he entered the vapor cloud to initiate ESD.⁴³ RP encountered DB in the vapor cloud.⁴⁴ DB and RP then attempted to “shut a valve.”⁴⁵
- 18 Sapphire procedures require employees to evacuate the scene of the vapor cloud, not enter it. In fact, Sapphire procedures explicitly state that “if an emergency occurs on this project involving flammable or combustible liquids . . . Sapphire employees will activate Emergency Shutdown Device (ESD) systems and turn off all equipment before evacuating, *provided employee safety is not jeopardized by doing so.*”⁴⁶ Policies and procedures explicitly require that personnel “not enter the LNG Vapor Cloud or come in contact with the liquid.”⁴⁷ The policies provide a framework for responding to an LNG emergency which includes “evacuat[ing] the personnel from the hazardous area” if the site is unsafe.⁴⁸
- 19 The running generator and on-site vaporizers were all in close proximity to the vapor cloud.⁴⁹ The generator and one vaporizer were running at the time of the incident.⁵⁰ These devices each had a separate ESD.⁵¹ There was roughly one minute and thirteen seconds between the hose separation and vapor cloud ignition when these ignition sources could have been eliminated.⁵² Given the time between separation and ignition and the location of personnel immediately following separation, it appears no one attempted to shut off the vaporizer or running generator.

³⁹ *Id.*

⁴⁰ *Id.*

⁴¹ *Id.* at 5.

⁴² *Id.*

⁴³ *Id.*

⁴⁴ *Id.*

⁴⁵ *Id.*

⁴⁶ *Id.* at 13 (emphasis added).

⁴⁷ *Id.* at 14.

⁴⁸ *Id.* at 13.

⁴⁹ *Id.* at 18 (see Photo 1 showing layout of worksite).

⁵⁰ *Id.* at 14.

⁵¹ *Id.*

⁵² *Id.* at 2.

- 20 The vapor cloud ignited from an unknown ignition source⁵³ around 10:23 AM.⁵⁴ The vapor cloud fire extinguished quickly, but ignited a fire in the nearby grass; two vaporizer trailers and an on-site pick-up truck also caught fire as a result of the vapor cloud fire.⁵⁵ Though it extinguished quickly, the vapor cloud fire caused physical burns to RP and DB.⁵⁶ RP was able to run to a nearby field, but DB was caught in the fire.⁵⁷ Emergency services were contacted around 10:25 AM, and the grass fire and burning machinery were extinguished at approximately 11:45.⁵⁸
- 21 DB and RP were transported to Yakima Valley Memorial Hospital for injuries resulting from the LNG vapor fire.⁵⁹ CM was not injured. RP was treated and released from Yakima Valley Hospital.⁶⁰ RP spent several days in another hospital upon returning to Orlando, Florida.⁶¹ DB suffered second and third degree burns on his face and neck. He was admitted to Yakima Valley Memorial, and subsequently transferred to a higher level of care at Harborview Medical Center in Seattle.⁶² DB died at Harborview Hospital as a result of his injuries on or about September 24, 2023.⁶³

V. APPLICABLE LAW

- 22 The law applicable to this matter includes RCW 80.28 *et seq.*, RCW 81.88 *et seq.*, WAC 480-93 *et. seq.*, 49 C.F.R. § 191 *et. seq.*, 49 C.F.R. § 192 *et. seq.*, 49 CFR § 193 *et. seq.*.
- 23 The Commission’s rules incorporate 49 C.F.R. § 190.223, 49 C.F.R. § 191, 49 C.F.R. § 192, and 49 C.F.R. § 193 by reference. WAC 480-93-999.
- 24 The Commission is authorized by the state legislature to “develop and administer a comprehensive program of gas pipeline safety in accordance with” chapter 81.88 *et. seq* RCW.⁶⁴ This authority includes rulemaking authority to carry out the purposes of chapter 81.88 RCW so “long as the rules are compatible with minimum federal requirements.”⁶⁵

⁵³ *Id.* at 5. However, Toppenish Fire Department believes the on-site generator may have been the cause, while a Sapphire employee and the Sapphire Safety Compliance Director believe there were two ignitions during the event (one where the hose separated and one the vaporizer trailer). *Id.* at 10. Records indicate that DB told first responders he believed the generator was the ignition source. *Id.* at 10-11.

⁵⁴ *Id.* at 5.

⁵⁵ *Id.*

⁵⁶ *Id.* at 11.

⁵⁷ *Id.*

⁵⁸ *Id.* at 5.

⁵⁹ *Id.* at 2.

⁶⁰ *Id.*

⁶¹ *Id.*

⁶² *Id.*

⁶³ *Id.*

⁶⁴ RCW 81.88.065(2).

⁶⁵ RCW 81.88.065(3).

Pursuant to this authority, the Commission adopted by reference federal pipeline safety regulations including 49 C.F.R. § 190.223, 49 C.F.R. § 191, 49 C.F.R. § 192, and 49 C.F.R. § 193.

- 25 Pursuant to RCW 81.88.065(1) and WAC 480-93-007(3) if a contractor or subcontractor engages in conduct that violates Commission rules applicable to the Company, the Company maintains responsibility for all penalties and applicable remedies as if the Company itself engaged in the conduct. This includes conduct related to construction, operation, or maintenance of a gas facility or engaging in the gathering, storage, distribution, and transmission of gas within Washington.⁶⁶

VI. CLAIMS AND CAUSES OF ACTION

A. First Cause of Action (failure to notify Commission of use of portable LNG equipment)

- 26 The Commission, through its Staff, re-alleges the allegations contained in paragraphs 1 through 25, above.
- 27 The Commission's rules incorporate 49 C.F.R. § 193.2019 by reference. WAC 480-93-999.
- 28 49 C.F.R. § 193.2019(b) requires that a Company notify the Commission at least two weeks in advance of the installation of the location of portable LNG equipment.
- 29 49 C.F.R. § 193.2019(b) requires that the notice include the description of the location of the equipment, the details about siting, leakage containment or control, fire-fighting equipment, and methods employed to restrict public access.
- 30 The Commission was not notified by Cascade nor its contractor, Sapphire Energy Solutions, of the use of portable LNG equipment in Toppenish, Washington, and did not provide the Commission any details as required by regulation.
- 31 Neither Cascade nor its contractor, Sapphire Energy Solutions, notified the Commission for 54 days of the location of portable LNG equipment.
- 32 Cascade's establishment and operation of a temporary LNG site in August and September 2023 violated 49 C.F.R. § 193.2019(b) on 54 occasions.

⁶⁶ WAC 480-93-007(1).

B. Second Cause of Action (starting truck during LNG transfer operations)

- 33 The Commission, through its Staff, re-alleges the allegations contained in paragraphs 1 through 32, above.
- 34 The Commission's rules incorporate 49 C.F.R. § 193, including 49 C.F.R. § 193.2013 by reference. WAC 480-93-999.
- 35 Cascade is required to follow either the requirements of 49 C.F.R. § 193 or the requirements of NFPA-59A-2001, which is incorporated in the C.F.R by reference in 49 C.F.R. §193.2013.⁶⁷
- 36 49 C.F.R. § 193 lays out the requirements for the operation of LNG facilities, including siting, equipment, construction, maintenance, operations, fire protection, security, and training.
- 37 Cascade did not follow the requirements of 49 C.F.R. § 193. Nor did Cascade follow the requirements of NFPA-59A-2001 incorporated in 49 C.F.R. §193.2013.
- 38 NFPA-59A-2001 Section 11.4.5.2(c) requires that unless required for the transfer, truck vehicles engines are shut off, brakes set, and wheels chocked prior to loading or unloading.
- 39 NFPA-59A-2001 Section 11.4.5.2(c) requires that truck engines remain shut off until the vehicle has been disconnected and all released vapors dissipated.
- 40 On September 22, 2023, Cascade violated NFPA-59A-2001 Section 11.4.5.2(c), incorporated by 49 C.F.R. §193.2013, one time when Southern employee RP turned on his engine and began driving the truck away prior to the truck being disconnected and before released vapors dissipated.

C. Third Cause of Action (failure to follow plans and procedures)

- 41 The Commission, through its Staff, re-alleges the allegations contained in paragraphs 1 through 40, above.
- 42 WAC 480-93-180(1) requires that each gas pipeline company have and follow a gas pipeline plan and procedure manual for its operation, maintenance, inspection, and

⁶⁷ Liquefied Natural Gas Regulations – Miscellaneous Amendments, 62 Fed. Reg. 41311-01 (Aug. 1, 1997) (incorporating NFPA 59A, 1996 edition, in the regulations for alternative compliance for temporary mobile LNG facilities); Pipeline Safety: Liquefied Natural Gas Facilities: Clarifying and Updating Safety Standards, 68 Fed. Reg. 23272-02 (May 1, 2003) (updating the NFPA reference to the 2001 edition).

emergency response activities. That gas pipeline plan and procedure manual must be specific to the gas pipeline company's system. WAC 480-93-180(1).

43 WAC 480-93-180(1) requires that the manual include plans and procedures for meeting all requirements in 49 C.F.R. §§191 and 192, as well as chapter 480-93 WAC. This manual must incorporate the plans or procedures used by a gas pipeline company's associated contractors.

44 Cascade did not have a manual for operating and maintaining a mobile liquified natural gas pipeline facility.

45 By failing to have the required gas pipeline plan and procedure manual, Cascade committed one violation of WAC 480-93-180(1).

D. Fourth Cause of Action (failure to follow plans and procedures)

46 The Commission, through its Staff, re-alleges the allegations contained in paragraphs 1 through 45, above.

47 WAC 480-93-180(1) requires that each gas pipeline company have and follow a gas pipeline plan and procedure manual for its operation, maintenance, inspection, and emergency response activities. That gas pipeline plan and procedure manual must be specific to the gas pipeline company's system. WAC 480-93-180(1).

48 WAC 480-93-180(1) requires that the manual include plans and procedures for meeting all requirements in 49 C.F.R. §§191 and 192, as well as chapter 480-93 WAC. This manual must incorporate the plans or procedures used by a gas pipeline company's associated contractors.

49 Cascade did not reference or include plans and procedures used by contractor Sapphire or subcontractor Southern in Cascade's manual.

50 By failing to incorporate the plans and procedures from two contractors, Cascade committed two violations of WAC 480-93-180(1).

E. Fifth Cause of Action (failure to follow plans and procedures)

51 The Commission, through its Staff, re-alleges the allegations contained in paragraphs 1 through 50, above.

52 WAC 480-93-180(1) requires that Cascade follow the plans and procedures incorporated from its contractor.

- 53 Sapphire’s policies and procedures contained a procedure for an LNG leak. “Liquid Natural Gas Emergency Response Plan, CAS-TOP-23-001863, Critical Operations, Liquefied Natural Gas (LNG) Leak” dated July 7, 2023 (hereinafter “LNG Leak Procedure”).
- 54 The LNG Leak Procedure required that “[i]n the event of an LNG leak, Sapphire personnel should: eliminate all ignition sources.”
- 55 Cascade, through its contractor and subcontractors, violated WAC 480-93-180(1) two times when employees of the contractor and subcontractor failed to eliminate two ignition sources, during the time when it was possible to do so, when the LNG vapor cloud was released.

F. Sixth Cause of Action (failure to file manual with the commission)

- 56 The Commission, through its Staff, re-alleges the allegations contained in paragraphs 1 through 55, above.
- 57 WAC 480-93-180(2) requires that forty-five days before operation of any gas pipeline, each gas pipeline company file with the Commission its pipeline and procedure manual.
- 58 Cascade began operating its mobile LNG site on August 14, 2023.
- 59 Cascade did not file a pipeline and procedure manual with the Commission at any point prior to operation of the Toppenish LNG site.
- 60 Cascade violated WAC 480-93-180(2) one time by failing to file its manual forty-five days prior to commencing operations at the Toppenish LNG site on August 14, 2023.

G. Seventh Cause of Action (failure to follow plans and procedures)

- 61 The Commission, through its Staff, re-alleges the allegations contained in paragraphs 1 through 60, above.
- 62 Under WAC 480-93-180(1) each gas pipeline company is required to follow its manual for the operation, maintenance, inspection, and emergency response activities that is specific to the gas pipeline company’s system. Each gas pipeline company is required to incorporate any plans and procedures used by the gas pipeline company’s associated contractors.
- 63 Sapphire’s policies contained a policy concerning minimum personal protective equipment: “Standard Operating Procedure Offloading Transport to Storage Vessel Doc

No. SGS-00-001-0 (dated 00/0/2021).” The “General Safety” section of this policy states that “operators who handle cryogenic liquids should be equipped with the following Personal Protective Equipment (PPE): Flame Resistant Long Sleeve Shirt.” Sapphire PPE requirements and procedures were also incorporated into the Master Transportation Agreement and required of “all drivers.”

64 LNG is a cryogenic liquid.

65 RP was an operator handling LNG through delivery, and acted in the capacity of an operator on September 22, 2023, when he left the cab of his truck and initiated ESD procedures to stop the flow of LNG from the transfer truck when it detached from the queen trailer.

66 RP was not equipped with PPE, including flame-resistant clothing, as required by Sapphire policies and the Master Transportation Agreement, during the course of the events underlying this complaint.

67 Cascade, through its contractor and subcontractors, violated WAC 480-93-180(1) one time on September 22, 2023.

H. Eighth Cause of Action (failure to chock wheels per NFPA requirements)

68 The Commission, through its Staff, re-alleges the allegations contained in paragraphs 1 through 67, above.

69 The Commission’s rules incorporate 49 C.F.R. § 193, including 49 C.F.R. § 193.2013 by reference. WAC 480-93-999.

70 Cascade is required to follow either the requirements of 49 C.F.R. § 193 or the requirements of NFPA-59A-2001, which is incorporated in the C.F.R. by reference in 49 C.F.R. §193.2013.⁶⁸

71 49 C.F.R. § 193 lays out the requirements for the operation of LNG facilities, including siting, equipment, construction, maintenance, operations, fire protection, security, and training.

72 Cascade did not follow the requirements of 49 C.F.R. § 193 in the operation of its mobile LNG facility. Nor did Cascade follow the requirements of NFPA-59A-2001 incorporated

⁶⁸ Liquified Natural Gas Regulations – Miscellaneous Amendments, 62 Fed. Reg. 41311-01 (Aug. 1, 1997) (incorporating NFPA 59A, 1996 edition, in the regulations for alternative compliance for temporary mobile LNG facilities); Pipeline Safety: Liquefied Natural Gas Facilities: Clarifying and Updating Safety Standards, 68 Fed. Reg. 23272-02 (May 1, 2003) (updating the NFPA reference to the 2001 edition).

in 49 C.F.R. §193.2013.

- 73 NFPA-59A-2001 Section 11.4.5.2(c) requires that unless required for the transfer, truck vehicles engines are shut off, brakes set, and wheels chocked prior to loading or unloading.
- 74 NFPA-59A-2001 Section 11.4.5.2(c) requires that wheels be “checked” prior to connecting the tank car for LNG unloading. Per interpretation from the Pipeline and Hazardous Materials Safety Administration, the use of “checked” is a typographical error and should be read as “chocked.”
- 75 On September 22, 2023, the tires for the transport truck were not chocked, and the chocks were later discovered in the back of the transport vehicle.
- 76 Cascade, through its contractor and subcontractors, violated NFPA-59A-2001 Section 11.4.5.2(c), incorporated by 49 C.F.R. § §193.2013, one time on September 22, 2023, when it did not chock the wheels of the transport truck.

I. Ninth Cause of Action (failure to chock wheels per manual)

- 77 The Commission, through its Staff, re-alleges the allegations contained in paragraphs 1 through 76, above.
- 78 Under WAC 480-93-180(1) each gas pipeline company is required to follow its manual for the operation, maintenance, inspection, and emergency response activities, and these must be specific to the gas pipeline company’s system. Each gas pipeline company is required to incorporate any plans and procedures used by the gas pipeline company’s associated contractors.
- 79 Sapphire’s policies contained a policy concerning vehicle operations: “Standard Operating Procedure Offloading Transport to Storage Vessel, Rigging Up (dated 00/0/2021).” This policy requires that tires be chocked during loading and unloading.
- 80 On September 22, 2023, Cascade, through its contractors and subcontractors, failed to chock the wheels of the transport vehicle, as the chocks were later found in the back of the transport vehicle and the driver did not report resistance when he began driving the truck away.
- 81 Cascade, through its contractor and subcontractors, violated WAC 480-93-180(1) one time on September 22, 2023.

J. Tenth Cause of Action (failure to follow plans and procedures)

- 82 The Commission, through its Staff, re-alleges the allegations contained in paragraphs 1 through 81, above.
- 83 Under WAC 480-93-180(1) each gas pipeline company is required to follow its manual for the operation, maintenance, inspection, and emergency response activities that is specific to the gas pipeline company's system. Each gas pipeline company is required to incorporate any plans and procedures used by the gas pipeline company's associated contractors.
- 84 Sapphire's policies contained a "Liquid Natural Gas Emergency Response Plan CAS-TOP-23-001863" which required that in the event of an LNG emergency employees should initiate ESD procedures "provided employee safety is not jeopardized by doing so." The policy explicitly required that workers "not enter the LNG Vapor Cloud or come in contact with the liquid." The emergency response framework also calls for evacuation of personnel from a hazardous area if the site is unsafe.
- 85 At least one onsite Sapphire employee and the Southern driver did not evacuate the scene when the LNG was released creating a vapor cloud. Instead, DB and RP entered the vapor cloud in violation of Sapphire policies and procedures.
- 86 Cascade, through its contractor and subcontractors, violated WAC 480-93-180(1) two times on September 22, 2023.

VII. REQUEST FOR RELIEF

- 87 The legislature required the Commission to adopt rules setting penalty amounts for violations of statutes and rules concerning pipelines. RCW 81.88.040(2) and (2)(b). These penalties cannot exceed those amounts found in federal law. RCW 81.88.040(2)(b). The Commission adopted the federal penalty scheme promulgated by the Pipeline and Hazardous Materials Safety Administration for violations of Commission rules concerning pipeline safety. WAC 480-93-223.
- 88 Under Commission regulations, violations of pipeline safety provisions, including any Commission order, rule, or chapter 81.88 RCW are subject to the civil penalty amounts found in 49 C.F.R. § 190.223. WAC 480-93-223. Additionally, the Commission adopted by reference the federal regulations penalty provisions found in 49 C.F.R. § 190.223. WAC 480-93-999(1).
- 89 Commission rules incorporate by reference 49 C.F.R. § 191, 49 C.F.R. § 192, 49 C.F.R. § 193. WAC 480-93-999(1). Violations of WAC 480-93-999(1) are subject to the Commission's pipeline penalty provisions as found in WAC 480-93-223.

- 90 Staff requests that the Commission find that Cascade Natural Gas Corporation violated 49 C.F.R. § 193.2019(b) 54 times when it failed to notify the Commission of the location and use of portable LNG equipment. At the time of the incident 49 C.F.R. § 193.2019(b) carried a daily penalty of \$257,664 with a maximum penalty of \$2,576,627 for a related series of violations. Staff requests that the Commission issue a penalty of \$2,576,627 to Cascade for its violation of 49 C.F.R. § 193.2019(b).
- 91 Staff requests that the Commission find that Cascade Natural Gas Corporation violated NFPA-59A-2001 Section 11.4.5.2(c), incorporated by 49 C.F.R. §193.2013, one time on September 22, 2023, when RP started his truck engine prior to the conclusion of the transfer. At the time of the incident 49 C.F.R. §193.2013 carried a daily penalty of \$257,664 per violation. Staff requests that the Commission issue a penalty of \$257,664 for one violation of NFPA-59A-2001, Section 11.4.5.2(c), incorporated by 49 C.F.R. §193.2013, on September 22, 2023.
- 92 Staff requests that the Commission find that Cascade Natural Gas Corporation violated WAC 480-93-180(1) one time on September 22, 2023, when it failed to have a pipeline plan and procedure manual that incorporated mobile LNG procedures. At the time of the incident WAC 480-93-180(1), which incorporates 49 C.F.R. § 191 and 192, carried a daily penalty of \$257,664 per violation. Staff requests that the Commission issue a penalty of \$257,664 for one violation of WAC 480-93-180(1) on September 22, 2023, for Cascade's failure to file a pipeline and procedures manual.
- 93 Staff requests that the Commission find that Cascade Natural Gas Corporation violated WAC 480-93-180(1) two times on September 22, 2023, when it failed to incorporate its contractors' policies into its pipeline manual. At the time of the incident WAC 480-93-180(1), which incorporates 49 C.F.R. § 191 and 192, carried a daily penalty of \$257,664 per violation. Staff requests that the Commission issue a penalty of \$515,328 for two violations of WAC 480-93-180(1) on September 22, 2023, for Cascade's failure to incorporate Sapphire's and Southern's policies into its manual.
- 94 Staff requests that the Commission find that Cascade Natural Gas Corporation violated WAC 480-93-180(1), two times on September 22, 2023, when Cascade contractors failed to eliminate two ignition sources. At the time of the incident WAC 480-93-180(1), which incorporates 49 C.F.R. § 191 and 192, carried a daily penalty of \$257,664 per violation. Staff requests that the Commission issue a penalty of \$515,328 for two violations of WAC 480-93-180(1) on September 22, 2023, for failure to follow policy for eliminating ignition sources.
- 95 Staff requests that the Commission find that Cascade Natural Gas Corporation violated

WAC 480-93-180(2), one time on September 22, 2023, for failing to file its pipeline procedure manual. At the time of the incident WAC 480-93-180(2) carried a daily penalty of \$257,664 per violation. Staff requests that the Commission issue a penalty of \$257,664 for one violation of WAC 480-93-180(2) for failing to file its pipeline procedure manual 45 days in advance of commencing operations.

- 96 Staff requests that the Commission find that Cascade Natural Gas Corporation violated WAC 480-93-180(1), one time on September 22, 2023, for failing to follow policies and procedures concerning supplying workers with personal protective equipment (PPE). At the time of the incident WAC 480-93-180(1) carried a daily penalty of \$257,664 per violation. Staff requests that the Commission issue a penalty of \$257,664 for one violation of WAC 480-93-180(1) on September 22, 2023, for failure to equip the truck driver with proper PPE.
- 97 Staff requests that the Commission find that Cascade Natural Gas Corporation violated NFPA-59A-2001 Section 11.4.5.2(c), incorporated by 49 C.F.R. §193.2013, one time on September 22, 2023, for failing to follow truck operation requirements. At the time of the incident 49 C.F.R. §193.2013 carried a daily penalty of \$257,664 per violation. Staff requests that the Commission issue a penalty of \$257,664 for one violation of NFPA-59A-2001, Section 11.4.5.2(c), incorporated by 49 C.F.R. §193.2013, on September 22, 2023, when Cascade, through its contractors, failed to chock the wheels of the transport truck.
- 98 Staff requests that the Commission find that Cascade Natural Gas Corporation violated WAC 480-93-180(1), one time on September 22, 2023, for failing to follow contractor's procedures. At the time of the incident WAC 480-93-180(1) carried a daily penalty of \$257,664 per violation. Staff requests that the Commission issue a penalty of \$257,664 for one violation of WAC 480-93-180(1) on September 22, 2023, for failure to chock the wheels of the truck during the LNG unloading.
- 99 Staff requests that the Commission find that Cascade Natural Gas Corporation violated WAC 480-93-180(1), two times on September 22, 2023, for failing to follow contractor's procedures. At the time of the incident WAC 480-93-180(1), which incorporates 49 C.F.R. § 191 and 192, carried a daily penalty of \$257,664 per violation. Staff requests that the Commission issue a penalty of \$515,328 for two violations of WAC 480-93-180(1) on September 22, 2023, for failure to follow policy for evacuating personnel from a hazardous area.

VIII. PROBABLE CAUSE

100 Based on a review of all supporting documents, and consistent with RCW 80.01.060 and WAC 480-07-307, the Commission finds probable cause exists to issue this complaint.

IX. NOTICE OF PREHEARING CONFERENCE

101 **THE COMMISSION GIVES NOTICE That it will hold a virtual prehearing conference in this matter at 9:30 a.m. on April 25, 2025. To attend by phone, call (253) 215-8782 and enter the Meeting ID: 813 1205 0688# and Passcode: 745100# To participate via Zoom, please use the following link: [Click here to join meeting](https://utc-wa-gov.zoom.us/j/81312050688?pwd=fJqV27TbqNivraKiOB2cX3XWTdAjYW.1).**⁶⁹

102 The purpose of the prehearing conference is to consider requests for intervention, resolve scheduling matters including establishing dates for distributing evidence, identify the issues in the proceeding, and determine other matters to assist the Commission in resolving the matter, as listed in WAC 480-07-430.

103 **INTERVENTION:** Persons who wish to intervene should file a petition to intervene in writing at least three business days before the date of the prehearing conference. See WAC 480-07-355(a). The Commission will consider oral petitions to intervene during the conference, **but strongly prefers written petitions to intervene.** Party representatives must file a notice of appearance with the Commission no later than the business day before the conference. See WAC 480-07-345(2). Parties with more than one representative must identify one individual as the “lead” for purposes of official service. Any party or witness in need of an interpreter or other assistance should fill out the form attached to this notice and return it to the Commission. The Commission will set the time and place for any evidentiary hearings at the prehearing conference, on the record of a later conference or hearing session, or by later written notice.

104 **THE COMMISSION GIVES NOTICE that any party who fails to attend or participate in the prehearing conference set by this Notice, or any other stage of this proceeding, may be held in default under RCW 34.05.440 and WAC 480-07-450.**

105 The names and mailing addresses of all known parties and their known representatives are as follows:

Complainant: Washington Utilities and Transportation
Commission

⁶⁹ <https://utc-wa-gov.zoom.us/j/81312050688?pwd=fJqV27TbqNivraKiOB2cX3XWTdAjYW.1>

621 Woodland Square Loop SE
 P.O. Box 47250
 Olympia, WA 98504-7250
 (360) 664-1160

Representative: Josephine Strauss
 Assistant Attorney General
 Office of the Attorney General
 Utilities and Transportation Division
 P.O. Box 40128
 Olympia, WA 98504-0128
 (360) 709-4850
josephine.strauss@atg.wa.gov

Respondent: Cascade Natural Gas Co.
 8113 W. Grandridge Boulevard
 Kennewick, WA 99336
CNGCRegulatory@cngc.com

Representative: Donna Barnett
 Sheree Carson
 Perkins Coie LLP
 10885 NE 4th Street, Suite 700
 Bellevue, WA 98004
 (425) 635-1419
 (425) 635-1400
dbarnett@perkinscoie.com
scarson@perkinscoie.com

106 Administrative Law Judge Connor Thompson, from the Commission's Administrative Law Division, will preside during this proceeding.⁷⁰

107 The Commission will give parties notice of any other procedural phase of the proceeding in writing or on the record, as appropriate during this proceeding.

DATED at Lacey, Washington, and effective March 27, 2025.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

/s/ Connor Thompson
 CONNOR THOMPSON

⁷⁰ Judge Thompson can be reached by email at connor.thompson@utc.wa.gov or by phone at (360) 664-1346.

Administrative Law Judge
Acting Director, Administrative Law
Division

Inquiries may be addressed to:

Jeff Killip
Executive Director and Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, WA 98504-7250
(360) 664-1160

NOTICE

Hearings are accessible to persons with disabilities and persons who do not speak English as a first language. If limited English-speaking or hearing-impaired parties or witnesses are involved in a hearing and need an interpreter, a qualified interpreter will be appointed at no cost to the party or witness.

If you need an interpreter, or have other special needs, please provide the information requested below via email to Stacey Brewster, paralegal, at stacey.brewster@utc.wa.gov.

(PLEASE SUPPLY ALL REQUESTED INFORMATION)

Docket: _____

Case Name: _____

Hearing Date: _____ Hearing Location: _____

Primary Language: _____

Hearing Impaired: (Yes) _____ (No) _____

Do you need a certified sign language interpreter:

Visual _____ Tactile _____

Other type of assistance needed: _____