

Cascade Natural Gas Corporation
COMPANY PROCEDURE

C.P. # 1	Page 1	Dated Feb 22, 2012	VOIDS/C.P.# 1	Page 1	Dated April 15, 1998
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TITLE: MANAGEMENT OF CHANGE (MOC)

INDEX

- .01 INTRODUCTION
 - .02 SCOPE
 - .03 PROCEDURE
 - .04 OPERATIONS & MAINTENANCE MANUAL
- APPENDIX 1: MOC FLOW CHART
- APPENDIX 2: MOC CHANGE FORM

Cascade Natural Gas Corporation
COMPANY PROCEDURE

C.P. # 1	Page 2	Dated Feb 22, 2012	VOIDS/C.P.# 1	Page 2	Dated April 15, 1998
----------	--------	--------------------	---------------	--------	----------------------

TITLE: MANAGEMENT OF CHANGE (MOC)

.01 INTRODUCTION

This procedure establishes the guidelines to be followed when modifications to a plant, equipment, control systems, process conditions or operating procedures are required.

These guidelines provide the process for managing:

- Physical changes – changes to equipment, pipe, location, land use, or products stored or transported.
- Technical changes – changes or upgrades to equipment, process control, SCADA, or protective devices.
- Procedural changes – site-specific operating procedures, operational procedures and maintenance procedures, design, specifications or construction procedures.
- Organizational changes – changes to operating personnel that could affect the process.

COMPLIANCE

WAC 480-93-180 (1) and (3)
49 CFR § 192.605 (b)(8)

.02 SCOPE

The Management of Change (MOC) procedure is a written method to manage changes in equipment, procedures, personnel and other factors that may affect a facility's safe operation. It ensures that proposed changes are reviewed and helps identify work needed before new or revised facilities are placed in service.

The procedure is aimed at reducing the likelihood that incidents, hazardous situations, regulatory compliance violations or business losses might arise as a result of change.

The MOC process applies to changes involving equipment, buildings, and other site modifications at compressor stations, meter stations, valve locations and pipelines and shall include analyzing the implications of changes on the systems and processes mentioned above. This procedure applies to any third party vendor used by CNG for facility maintenance and repair.

Any deviation from normal conditions is a change. Normal conditions are the established O&M procedures, accepted construction practices, materials or components, existing operating parameters (set points, lock-up, MAOP, orifice size, etc), and maintenance schedules. For the purpose of implementing a MOC process, it can be defined as the original condition.

Use this procedure every time a change is planned. The MOC procedure will be used for the following changes at a minimum:

- Changes in approved materials, components or equipment.

Cascade Natural Gas Corporation
COMPANY PROCEDURE

C.P. # 1	Page 3	Dated Feb 22, 2012	VOIDS/C.P.# 1	Page 3	Dated April 15, 1998
----------	--------	--------------------	---------------	--------	----------------------

TITLE: MANAGEMENT OF CHANGE (MOC)

- Creating or changing operating and maintenance procedures
- Changes to filed design, specification or construction procedures.
- Changes to the company's assets (i.e. pipeline acquisitions, divestitures or construction of new assets)
- Changing operating parameters or status (i.e. out-of-service, abandonment, bypassing a system, abnormal operating condition, or change of MAOP)

.03 PROCEDURE

.031 MOC is divided into 3 stages: Development, Implementation and Quality Control

a. Stage 1: Development

1. Identification of change required

- a) Anyone can initiate the MOC process. The change requester is the MOC originator. MOC originator can contact the District Manager, District Operations Manager, Regional Manager or Regional Pipeline Safety Specialist for guidance or to initiate the process.
- b) For any change that is required due to code or regulations, refer to step .032 for Stage 1 instructions.
- c) The first step in the MOC process is to complete the Identification of Change section on the Management of Change Form (CNG 800). This section documents the following information:
 - Type of change (physical, technical, procedural or organizational)
 - Statement of Original Condition
 - Statement of Modified Condition
 - Brief reason for change
 - Prepared by name, date and signature
- d) The MOC Form (CNG 800) is then forwarded to the Regional Pipeline Safety Specialist or Manager of Standards and Compliance and is assigned a Change ID number. The Change ID number and date is recorded on the header of the MOC Form (CNG 800).
 - The Change ID is a sequential numbering system related to identification of region and district. The Change ID is tracked and maintained in a Standards and Compliance log on SharePoint.

Cascade Natural Gas Corporation
COMPANY PROCEDURE

C.P. # 1	Page 4	Dated Feb 22, 2012	VOIDS/C.P.# 1	Page 4	Dated April 15, 1998
----------	--------	--------------------	---------------	--------	----------------------

TITLE: MANAGEMENT OF CHANGE (MOC)

- e) The Standards and Compliance Department will review the change for applicable codes or regulations. All applicable codes, regulations and impacted company procedures will be recorded on the MOC Form (CNG 800) in the Compliance Reviewer section. The Standards and Compliance Department reviewer will print, sign and date this section.
 - Any MOC that violates codes or regulations will be rejected. The Standards and Compliance Department reviewers will N/A the Analysis of Implications, Final Modified Condition and Requirements for Implementation sections. The change will be indicated as REJECTED with the explanation documented. Operations Manager and Subject Matter Expert signatures are not required.
 - Any MOC that does not violate codes or regulations will be further processed in the Analysis of Implications stage.
2. Analysis of Implications
- a) The Compliance and Standard Department will forward the MOC request for the evaluation of technical, operational, safety, environmental, quality and/or economical aspects of the change.
 - b) Analysis should be performed by the following departments: Standards and Compliance, Regional and District/Operation Managers, Department Heads, SMART committee, and Subject Matter Expert (SME). After the analysis is performed and all comments have been gathered for the MOC Form (CNG 800), it shall be returned to the Standards and Compliance Department.
 - i. For urgent MOC, the analysis may be performed by Subject Matter Expert and Standards and Compliance Department.
 - c) The Standards and Compliance Department or SME will summarize the analysis findings on the MOC form (CNG 800).
3. Final Modified Condition
- a) The Standards and Compliance Department or SME will integrate the analysis and findings into the modified condition. A concise final modified condition statement is generated and recorded on the MOC form (CNG 800).
 - b) The Standards and Compliance Department identifies and records the Requirements for Implementation on the MOC form (CNG

Cascade Natural Gas Corporation
COMPANY PROCEDURE

C.P. # 1	Page 5	Dated Feb 22, 2012	VOIDS/C.P.# 1	Page 5	Dated April 15, 1998
----------	--------	--------------------	---------------	--------	----------------------

TITLE: MANAGEMENT OF CHANGE (MOC)

800).

- Training Requirements
- Change in Operator or Staff Qualifications
- Requires Job Safety Assessment (JSA), if applicable
- Alteration of Company Procedures
- Change in Documentation Procedures

- c) The completed MOC is routed to Regional Managers and Subject Matter Expert (SME) for final approval.

b. Stage 2: Implementation

1. The Standards and Compliance Department revises any applicable forms or company procedures, if needed
2. The Standards and Compliance Department sends the MOC Package to the Regional Managers and Subject Matter Experts. The MOC Package contains the following information:
 - a) A copy of the completed MOC form
 - b) Updated forms and/or procedures (if applicable)
 - c) Sign off sheet with the District Rosters for Regional Managers
 - d) Sign off sheet for the Subject Matter Experts and Staff
 - e) Effective date for change to be fully implemented
3. The Standards and Compliance Department will place a copy of the completed MOC form on SharePoint. The original hard copy will be maintained at the Kennewick GO.
4. Regional managers will distribute and implement in the districts per the minimum stated criteria noted in the MOC package.
5. The completed sign off sheets are placed on the Centralized SharePoint Documentation website.

c. Stage 3: Quality Control

1. Post implementation, the Standards and Compliance Department may perform the following tasks:
 - a) Review the change and ensure that it is meeting the intended purpose.
 - b) Provide support for the districts upon request.
 - c) Perform spot audits to ensure that the MOC was implemented

Cascade Natural Gas Corporation
COMPANY PROCEDURE

C.P. # 1	Page 6	Dated Feb 22, 2012	VOIDS/C.P.# 1	Page 6	Dated April 15, 1998
----------	--------	--------------------	---------------	--------	----------------------

TITLE: MANAGEMENT OF CHANGE (MOC)

correctly.

- .032 MOC due to changes in code or regulations is performed as follows.
- a. The Standards and Compliance Department will complete the following sections of the MOC Form (CNG 800): Change ID / date, the Identification of Change, the Final Modified Condition and the Requirements for Implementation. The Analysis of Implications section is not required and is marked as N/A.
 - b. The completed MOC Form (CNG 800) routed to Regional Managers and Subject Matter Expert (SME) for final approval.
 - c. Refer to Stage 2 Implementation and Stage 3 Quality Control instructions stated in 0.31 above.
- .04 Company Procedure Manual (O&M Manual)
- .041 Company Procedures are in two volumes (I and II), which are indexed for convenience.
- .042 Company Procedures should contain the following sections: Introduction, Scope and Procedure. Additional sections can be added as needed.
- .043 For all new procedures and revisions to existing procedures that are released with a completed MOC package:
- a. The updated procedures received with the MOC package will be placed in the manuals. It is the manual holders' responsibility to keep them up to date by inserting revisions and new CP's immediately upon receipt. Company Procedures Manuals will be available for all employees to review.
 1. The superceded procedure that is removed from the manual must be immediately destroyed.
 - b. The Manager of Standards and Compliance will maintain a master set which is also available for review.
 1. The Manager of Standards and Compliance will archive a copy of the superceded company procedure.
 - c. An electronic copy of Company Procedure Manual is located on SharePoint. The Manager of Standards and Compliance will keep the electronic copies of the procedures.

Cascade Natural Gas Corporation
COMPANY PROCEDURE

C.P. # 1	Page 7	Dated Feb 22, 2012	<i>VOIDS/C.P.#</i> 1	<i>Page</i> 7	<i>Dated</i> April 15, 1998
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TITLE: MANAGEMENT OF CHANGE (MOC)

- d. Standards and Compliance department will send a copy of the updated procedure to applicable governing agencies as stated in regulations.

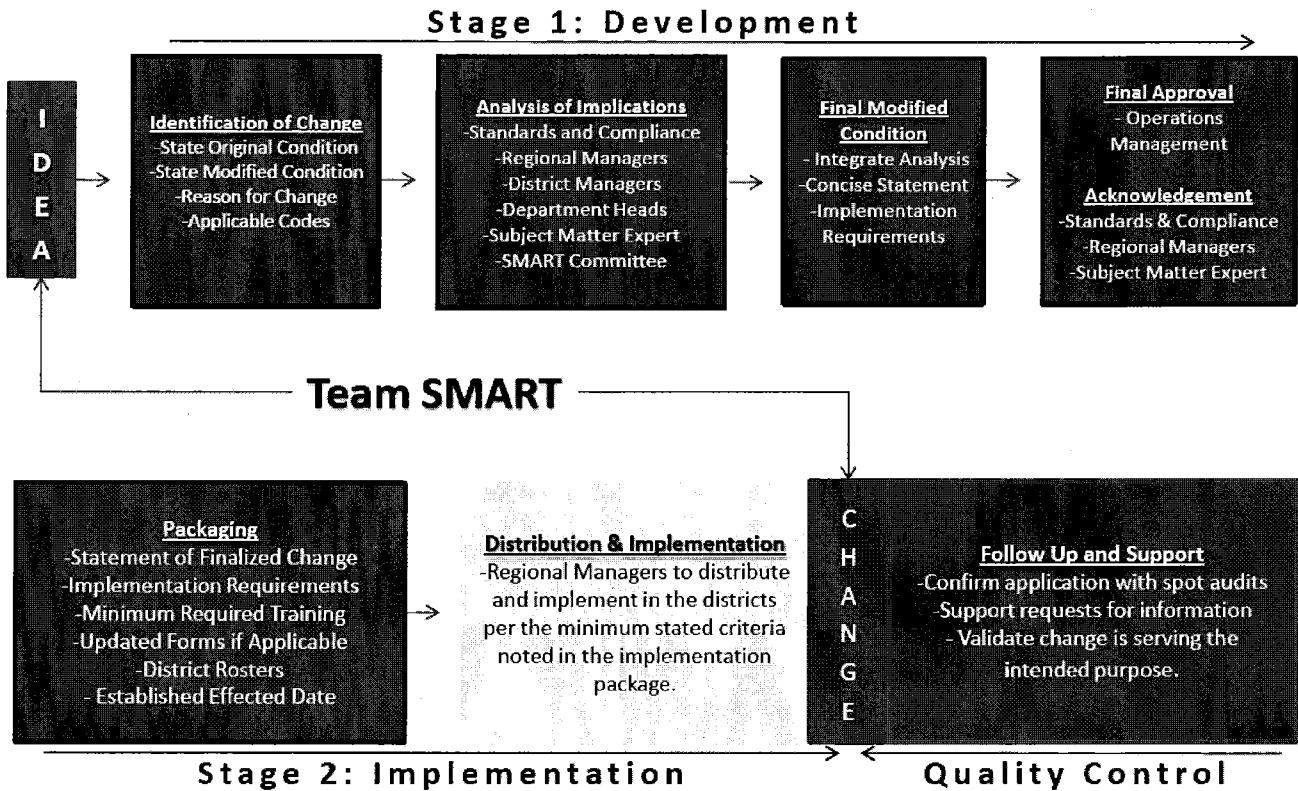
Cascade Natural Gas Corporation
COMPANY PROCEDURE

C.P. # 1	Page 8	Dated Feb 22, 2012	VOIDS/C.P.# 1	Page 8	Dated April 15, 1998
----------	--------	--------------------	---------------	--------	----------------------

TITLE: MANAGEMENT OF CHANGE (MOC)

Appendix 1

Management of Change Flow Chart



Cascade Natural Gas Corporation
COMPANY PROCEDURE

C.P. # 1	Page 9	Dated Feb 22, 2012	VOIDS/C.P.# 1	Page 10	Dated April 15, 1998
----------	--------	--------------------	---------------	---------	----------------------

TITLE: MANAGEMENT OF CHANGE (MOC)

Change ID: _____

Date: _____

APPENDIX 2: MANAGEMENT OF CHANGE FORM

Identification of Change

Type: Physical Technical Procedural Organizational

Statement of Original Condition: (Attach additional pages as needed):

Statement of Modified Condition (Attach additional pages as needed):

Reason for Change:

Prepared By:

Print : _____
Sign: _____ Date _____

Compliance Reviewer:

Print : _____
Sign: _____ Date _____

Applicable Codes:

Applicable Company Procedures:

Please note: All proposed changes shall be submitted to the Standards & Compliance Department.

Cascade Natural Gas Corporation
COMPANY PROCEDURE

C.P. # 1	Page 11	Dated Feb 22, 2012	VOIDS/C.P.# 1	Page 10	Dated April 15, 1998
----------	---------	--------------------	---------------	---------	----------------------

TITLE: MANAGEMENT OF CHANGE (MOC)

Change ID: _____

Date: _____

Final Modified Condition

Attach additional sheets as required.

Requirements for Implementation:

- | | | |
|---|------------------------------|-----------------------------|
| Training Required | YES <input type="checkbox"/> | NO <input type="checkbox"/> |
| Change Operator or Staff Qualifications | YES <input type="checkbox"/> | NO <input type="checkbox"/> |
| Requires JSA | YES <input type="checkbox"/> | NO <input type="checkbox"/> |
| Change in Company Procedures | YES <input type="checkbox"/> | NO <input type="checkbox"/> |
| Change in Company Forms | YES <input type="checkbox"/> | NO <input type="checkbox"/> |
| Create New Procedure or Form | YES <input type="checkbox"/> | NO <input type="checkbox"/> |

Note:

Target Implementation Date: _____

This section to be completed by those with Authority of Approval only.

This change is Approved Rejected Conditionally Approved

Conditions of Approval

Print : _____	Operations Manager
Sign: _____	Date _____

Print : _____	Subject Matter Expert
Sign: _____	Date _____