BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Request of CASCADE NATURAL GAS CORPORATION, Pursuant to WAC 480-93-020 for Approval to Operate a Proposed New 4-Inch Pipeline at a Maximum Allowable Operating Pressure of 850 Pounds per Square Inch Gauge within 500 Feet of Existing Structures Not Owned by Cascade Natural Gas Corporation	DOCKET PG-161057 ORDER 01 ORDER APPROVING REQUEST

BACKGROUND

1 On September 8, 2016, Cascade Natural Gas Corporation (Cascade or Company) filed with the Washington Utilities and Transportation Commission (Commission) a request for approval to operate a proposed new 4-inch natural gas pipeline at a maximum allowable operating pressure (MAOP) of 850 psig (pounds per square inch gauge) within 500 feet of existing structures not owned by Cascade.

2 The Commission has adopted the Code of Federal Regulations (CFR) Title 49, Part 192 and promulgated Washington Administrative Code (WAC) Chapter 480-93 as the minimum standards for gas pipeline construction. WAC 480-93-020 requires a gas pipeline company to obtain approval from the Commission to operate a gas pipeline at greater than 500 psig within 500 hundred feet of any existing buildings not owned by the gas pipeline company.

3 Cascade proposes to operate a new 4-inch pipeline, pipeline heater, and regulator station with a MAOP of 850 psig within 500 feet of 13 existing buildings in Sunnyside, WA. Cascade is acquiring the operation of pressure control from Northwest Pipeline (NWP), whose regulator station and pipeline has a MAOP of 809 psig. Cascade proposes to locate the new regulator station adjacent to NWP's existing regulator station.

4 Commission Staff (Staff) reviewed the Company's request and noted the following:

(a) The location of the new regulator station, the pipeline heater and the 4-inch pipe from the custody transfer would be fully within the fenced gate station grounds.

(b) The proposed regulator station materials and connection piping are commensurate with the proposed MAOP.

(c) Of the 13 existing buildings within 500 feet of this proposed regulator station, all are currently located within 500 feet of existing NWP facilities operating at a pressure above 500 psig.

(d) At the proposed MAOP of 850 psig, the maximum stress level of the pipe and pipeline fittings would be 15.52 percent of specified minimum yield strength (SMYS). Pipelines that operate under 20 percent of SMYS are considered low-stress lines and pose a lower risk than pipelines operating above 20%.

(e) According to Cascade, the proposed regulator station is located in a Class 3 location. The new Cascade regulator station is designed appropriately for the class location and is located immediately adjacent to the existing NWP station. As this new pressure regulation station is replacing pressure control equipment operated by NWP, it would not be prudent to move the new station as all the connecting pipeline would operate at NWP line pressure (MAOP is 809 psi) until it is reduced at the new pressure regulating station. Therefore, the closer Cascade's station is to the existing NWP gate station, the shorter this higher pressure line needs to be.

(f) The proposed regulator station would be pressure tested with nitrogen for eight hours at 1275 psig as required by WAC 480-93-170 for Class 3 locations. Federal code only requires a 1-hour test.

Accordingly, Staff concludes that Cascade's proposed construction meets all of the pertinent requirements of Title 49 CFR, Part 192 and WAC Chapter 480-93. Staff agrees with the Company that the selected location of the new pipeline has the least impact on surrounding population densities.

5 Staff recommends that the Commission approve the request subject to the following conditions to minimize the risks to public safety from the proposed pipeline:

(a) For underground installations, Cascade must electrically inspect the pipe coating and repair any coating defects in accordance with Cascade's operating standard prior to backfilling.

(b) For underground installations, Cascade must apply backfill material to the pipe to protect the pipe and coating. The material around the pipe must be free of any sharp rocks or other objects with a maximum particle size of one-half inch and must contain a large percentage of fines, such as sand, native soil, or soil-based select materials.

(c) Cascade must perform radiograph inspections of 100 percent of all welds. Cascade must remedy defects in the welds in accordance with Cascade's operating standards and procedures. Cascade must radiograph all repaired welds to ensure pipeline integrity and compliance with existing standards.

(d) Cascade must install cathodic protection within 90 days after the pipeline is installed.

(e) Cascade must provide telephonic notice to the Commission Pipeline Safety Program followed by an email confirmation at least two business days prior to the beginning of project construction.

(f) Cascade must contact residents within 500 feet of the regulator station and inform them of the project construction and provide any additional information consistent with the public awareness requirements in Title 49 CFR, Part 192.616.

DISCUSSION

6 The Commission agrees with Staff's analysis and adopts its recommendations. The Commission's primary objective in regulating natural gas pipelines is to protect public safety. The rules the Commission has promulgated to govern pipelines incorporate and exceed federal requirements and provide flexibility to establish safety standards tailored to individual projects. The Commission's proximity rule, WAC 480-93-020 allows pipeline Staff the opportunity to review construction plans of high pressure pipelines in close proximity to inhabited structures to address safety considerations. Staff's recommended conditions described in paragraph 5 appropriately minimize the public safety risk associated with the proposed pipeline. Accordingly, we approve the Company's request.

FINDINGS AND CONCLUSIONS

7 (1) The Commission is an agency of the State of Washington vested by statute with the authority to adopt and enforce rules for gas pipeline safety.

8 (2) Cascade is a gas pipeline company subject to Commission jurisdiction.

9 (3) Cascade proposes to construct and maintain a new 4-inch pipe in Sunnyside, WA, to increase the capacity and enhance the reliability of the Company's natural gas distribution system.

10 (4) The location Cascade has selected for the new pipeline has the least impact on surrounding population densities.

11 (5) Cascade's construction plans indicate that the proposed pipeline meets or exceeds all of the pertinent requirements of Title 49 CFR, Part 192 and WAC Chapter 480-93.

12 (6) The selected location of the proposed new pipe has the least impact on the surrounding community.

13 (7) The conditions recommended by Staff add requirements to this installation, some in excess of federal and state regulations, that minimize the added risk of the close proximity of the pipeline to a habitable structure.

14 (8) This matter came before the Commission at its regularly scheduled open meeting on December 8, 2016.

15 (9) The Commission should approve Cascade's proposal to operate a new 4-inch natural gas pipeline at a MAOP of 850 psig within 500 feet of existing structures not owned by Cascade in Sunnyside, WA as consistent with the public interest with the conditions Staff has recommended.

ORDER

THE COMMISSION ORDERS:

16 (1) The Commission approves Cascade Natural Gas Corporation's proposal to operate a new 4-inch natural gas pipeline in Sunnyside, WA at a maximum allowable operating pressure of 850 pounds per square inch gauge within 500 feet of existing structures subject to the conditions in paragraph 5 of this Order.

17 (2) The Commission retains jurisdiction over the subject matter of this docket and Cascade Natural Gas Corporation to effectuate the terms of this Order.

DATED at Olympia, Washington, and effective December 8, 2016.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chairman

PHILIP B. JONES, Commissioner

ANN E. RENDAHL, Commissioner