



STATE OF WASHINGTON

UTILITIES AND TRANSPORTATION COMMISSION

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Editor's note: This news release reflects the position of pipeline safety staff of the Washington Utilities and Transportation Commission and NOT the views of the three-member commission. It discusses a staff recommendation that the commissioners have not yet reviewed. Any positions taken or comments offered by the commission staff regarding this proceeding should be attributed clearly to staff members and NOT to the UTC.

Cascade Natural Gas facing possible \$4M penalty for pipeline safety violations

OLYMPIA, Wash. – State pipeline safety regulators today filed a complaint against Cascade Natural Gas Corporation recommending penalties for violating state and federal pipeline safety regulations.

The complaint was issued by the Utilities and Transportation Commission after a staff investigation revealed that the company is unable to provide required documentation for nearly 40 percent of its high-pressure pipelines in the state of Washington.

The commission alleges that the company failed to maintain records and documentation of the Maximum Allowable Operating Pressure for at least 116 pipeline segments.

Pipeline safety staff requested that the commission impose the maximum penalty of \$4 million.

The complaint will be scheduled for a hearing before the three-member commission. The commission is not bound by staff's recommendation.

In the investigation report, staff stated, "Cascade has demonstrated a lax attitude towards compliance that exposes the public to an unacceptable level of risk."

After the 2010 explosion in San Bruno, Calif., an [accident report](#), released by the National Transportation Safety Board in 2011, found one of the contributing factors in the incident was the operator's failure to maintain records necessary to establish and confirm MAOP.

In response, the federal government issued an [advisory bulletin](#) on May 7, 2012, reminding pipeline operators nationwide to verify their records relating to MAOP.

The commission report referenced the 2010 explosion as evidence that, "inadequate oversight can have catastrophic consequences."

In 2013, during three separate inspections, Cascade was unable to produce all MAOP documentation requested by pipeline safety inspectors.

In 2015, the commission approved an agreement between staff and the company, requiring the company to develop a comprehensive MAOP compliance plan by Aug. 12, 2015. The parties also agreed Cascade would assume the most stringent safety protocols for pipelines with insufficient MAOP-confirming documentation.

Cascade failed to meet the deadline in violation of the commission's order. According to the investigation report, Cascade submitted a compliance document on Jan. 29, 2016, which commission staff rejected after determining it did not meet the requirements of the commission's order. Staff required the company to resubmit the plan by April 29, 2016. The company submitted a revised plan on April 29 that is currently under review by commission staff.

Federal MAOP standards establish the highest pressure at which a particular segment of pipeline can safely operate. Pipeline operators are required by law to maintain documentation sufficient to prove compliance.

Kennewick-based Cascade Natural Gas Corporation serves almost 200,000 residential and business customers in 68 communities throughout the state, including Aberdeen, Bellingham, Bremerton, Kennewick, Longview, Moses Lake, Mount Vernon, Walla Walla, Wenatchee, and Yakima.

Established by the Legislature in 1955, the UTC's Pipeline Safety Program regulates the safety practices of 32 pipeline operators and conducts safety inspections on more than 44,000 miles of natural gas and hazardous-liquid pipelines in Washington. The UTC also regulates the private, investor-owned natural gas utilities in the state. More information on the UTC Pipeline Safety Program can be found at www.utc.wa.gov/pipeline.

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Editor's Note: A copy of the complaint and investigation report can be found at www.utc.wa.gov.