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October 3, 2017

Sean Mayo - Pipeline Safety Director
State of Washington Utilities and Transportation Commission
1300 S. Evergreen Park Dr. SW
P.O. Box 47250
Olympia, WA 98504-7250

Subject: Response to the September 7, 2017 correspondence regarding Investigation Number 7447.

Dear Mr. Mayo,

This letter is intended to address the concerns expressed in the September 7, 2017 correspondence regarding Investigation Number 7447. Specifically, we are addressing the steps Cascade Natural Gas Corporation (CNGC) has taken to address the Maximum Allowable Operating Pressure (MAOP) exceedance concerns communicated in the correspondence. The investigation stemmed from an incident that occurred on May 10, 2017 in the Mount Vernon, Washington District.

RESPONSE

Concern #1

Although no violations were found, staff is concerned with the number of Maximum Allowable Operating Pressure (MAOP) exceedances within Cascade Natural Gas Company's system within the last several years. Staff is aware of 39 MAOP exceedances since 2009, which is the highest total for any Local Distribution Company (LDC) in Washington during the aforementioned timeframe. Staff believes it would be prudent to address this issue which, if left uncorrected, could lead to more serious conditions in the future. Please confirm what steps CNGC will take to address this concern.

Cascade Response

CNGC has reviewed the 39 MAOP exceedance events since 2009 and has determined the primary contributing factor for each event. The information gained from this review was used to develop CNGC's strategy to address the issue. The strategy is rooted in both the prevention of events and the mitigation of latent risk in the system due to debris in the pipeline.

CNGC will seek to prevent MAOP exceedances by producing tapping plans and site-specific work instructions for work on High Pressure and Transmission pipeline. The intent of the tapping plan will be to prevent the migration of debris to regulator stations. The intent of the site-specific work instructions will be to reduce the risk of MAOP exceedance due to operator error. These tapping plans and site-specific work instructions will be administered through CNGC's Management of Change (MOC) system.

To further mitigate the risk of existing debris in the pipeline contributing to a MAOP exceedance, CNGC will continue to incorporate debris strainers into the system. This includes replacing or retrofitting existing regulator stations with strainers when failures stemming from debris are recurrent. For new regulator stations 2" and larger, CNGC has implemented designs that include strainers as standard equipment.

Please contact Chris Grissom at (509) 734-4535 with questions or comments.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Eric Martuscelli", with a long horizontal flourish extending to the right.

Eric Martuscelli
Vice President, Operations
Cascade Natural Gas Corporation