

STATE OF WASHINGTON WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

1300 S. Evergreen Park Dr. S.W., P.O. Box 47250 • Olympia, Washington 98504-7250 (360) 664-1160 • TTY (360) 586-8203

May 16, 2013

Eric Martuscelli Vice President-Operations Cascade Natural Gas Corporation 8113 W. Grandridge Blvd. Kennewick, WA 99336

Dear Mr. Martuscelli:

RE: 2012 Control Room Management Team Inspection - Cascade Natural Gas Corporation Headquarters

We have reviewed your April 3, 2013 response to the Notice of Amendment (NOA) issued by the Pipeline and Hazardous Materials Safety Administration (PHMSA), in regards to our team inspection of the Cascade Natural Gas (CNG) Control Room Management (CRM) program and records.

This inspection was conducted jointly with representatives of PHMSA Central Region, Washington Utilities and Transportation Commission (Staff), Montana Public Service Commission, North Dakota Public Service Commission, South Dakota Public Utilities Commission, and the Wyoming Public Service Commission and the findings were issued jointly by PHMSA.

As noted in my letter dated November 29, 2012, each participating agency has separate gas pipeline safety jurisdiction over the various local distribution companies under MDU and each agency will make its own decision in exercising that jurisdiction regarding this inspection. Therefore, this letter is from the State of Washington, Utilities and Transportation Commission only.

Staff accepts CNG's proposed changes submitted in response to PHMSA's NOA. The Washington State portion of this inspection will be closed as of May 16, 2013.

Thank you for your interest in pipeline safety and for your cooperation during this inspection.

Sincerely,

David D. Lykken

Pipeline Safety Director

cc: Steve Kessie, Manager-Operations Services, Cascade Natural Gas Corporation Tina Beach, Manager of Standards & Compliance, Cascade Natural Gas Corporation