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Cascade Natural Gas Settles for $2 Million Penalty After 2023 Incident at Undisclosed Mobile LNG Site Kills One

Negotiations between the gas company and the Washington Utilities and Transportation Commission (UTC) led to over $3.5 million being deducted from an original recommended fine of $5.6 million. Cascade operated the mobile LNG site for nearly two months before the UTC had any knowledge of its existence.

Bellingham, WASHINGTON - [April 13, 2026] – In Sept. 2023, an explosion killed a contractor who was delivering liquefied natural gas (LNG) from a tanker truck in Toppenish, WA. The deceased was attempting to deliver LNG into Cascade's pipeline system to support the company's peak-shaving operations. During gas delivery, proper procedures were not followed, and the tanker truck lurched forward, removing the hoses transferring the LNG. With the hoses removed, LNG poured out of the truck and formed a vapor cloud that ignited and killed the on-the-ground contractor and burned the truck's driver.

In the aftermath of the 2023 incident, the UTC staff recommended a $5.6 million penalty on Cascade alleging that it violated 66 pipeline safety regulations. The state of Washington's pipeline regulator found that 83 barrels of LNG were released when the driver from Southern Pines Trucking "pulled away from an active LNG transfer." In its investigation, UTC determined that Cascade had violated both state and federal pipeline safety regulations.

UTC called out Cascade for the following failures:

- Failure to notify the regulator of its location and use of mobile LNG equipment
- Lack of a manual for the operation and maintenance of a mobile LNG facility
- Zero reference and inclusion of the plans and procedures used by its contractors and subcontractors

Despite Cascade's serious pipeline safety failures, the recommended penalty was reduced by nearly 65 percent. The Kennewick based natural gas company is owned by MDU Resources Group whose earnings before interest, taxes, depreciation, and amortization (EBITDA) were over $630 million in 2023, the year of the fatal incident. The final agreed-upon penalty between Cascade and the UTC was less than one percent of MDU's 2023 EBITDA.

The Use of Third-Party Contractors and Pipeline Operator Responsibilities

Cascade had hired a contractor, Sapphire Gas Solutions LLC to run its mobile LNG operation. In turn, Sapphire Gas hired Southern Pines Trucking to facilitate the transfer. In its response to the UTC, Cascade argued it could not be penalized for some of Sapphire's failures and sought to have some of those penalties removed.

Cascade's seeming refusal to take responsibility for the safety actions of its contractors runs counter to industry-wide commitment, adoption and implementation of Safety Management Systems. After a series of pipeline tragedies, the pipeline industry responded to recommendations from the National Transportation Safety Board (NTSB) and in 2015 created an American Petroleum Institute (API) recommended practice (RP 1173) advocating for pipeline operators to create Pipeline Safety Management Systems (PSMS). RP 1173 makes clear that contractors are considered part of the safety management system, and that the use of contractors needs to be incorporated into the operator's safety culture and reporting systems.

In 2017, Cascade was required to submit to a third-party audit to measure how well it had incorporated RP 1173. It appears Cascade committed to RP 1173 compliance, issuing updates as recently as September 2025, two years after the Toppenish incident.

Federal LNG Regulations Are Lacking

The sole federal regulations for Mobile and Temporary LNG Facilities, found at 49 C.F.R. § 193.2019, state that mobile LNG facilities whose operations consist of the following: peak-shaving, service maintenance during short term applications, and other "short-term applications", can adhere to a 2001 National Fire Protection Association (NFPA) standard rather than comply with other federal regulations for LNG facilities as listed in 49 C.F.R. Part 193.

However, in this incorporated standard, there appears to be an apparent typo – listing that a mobile LNG tanker truck's tire should be "checked" instead of "chocked." If the tires were chocked, the truck would not have rolled away while hooked up. The Pipeline and Hazardous Materials Safety Administration (PHMSA) could update to a newer version of the standard, which has corrected this typo, or amend the regulations to change "check" to "chock", but has pursued neither of these avenues. The federal pipeline regulator has issued an Advanced Notice

of Proposed Rulemaking for LNG, and while broader, it does include mobile LNG operations, but the rulemaking is at the beginning of a very lengthy and cumbersome process.

Toppenish represents a pattern all too frequent in the world of pipeline safety – a tragic incident occurs in the absence of strong federal pipeline safety regulations, only to be followed up by financially insignificant enforcement.

As our nation's oil and gas infrastructure grows rapidly, with more LNG plants slated to be built than ever before, the regulation of LNG in the United States needs to be taken seriously.

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About Pipeline Safety Trust: The Pipeline Safety Trust is a nonprofit public watchdog promoting pipeline safety through education and advocacy by increasing access to information, and by building partnerships with residents, safety advocates, government, and industry, that result in safer communities and a healthier environment.