



STATE OF WASHINGTON

UTILITIES AND TRANSPORTATION COMMISSION

1300 S. Evergreen Park Dr. S.W., P.O. Box 47250 • Olympia, Washington 98504-7250

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Oct. 12, 2017

Steven V. King, Executive Director and Secretary  
Utilities and Transportation Commission  
1300 S. Evergreen Park Dr. SW  
P.O. Box 47250  
Olympia, WA 98504-7250

RE: *Washington Utilities and Transportation Commission v. Rino Construction LLC*  
Commission Staff's Recommendation to Accept Penalty Payment Plan.  
Docket D-170657

Dear Mr. King:

On June 6, 2017, the Utilities and Transportation Commission (commission) issued a \$16,000 Penalty Assessment in Docket D-170657, against Rino Construction LLC (Rino Construction or company) for three violations of RCW 19.122. These violations were based on information submitted to the commission by Puget Sound Energy regarding damages to their natural gas facilities. The Penalty Assessment was received via certified mail by Rino Construction on June 8, 2017. The company failed to respond by the June 23, 2017, deadline.

On Sept. 15, 2017, a representative of Rino Construction contacted staff regarding the past due invoice the company received. The company inquired about the possibility of setting up a payment plan for the outstanding penalty amount, and staff instructed them to submit their request in writing for the commission to consider.

On Oct. 9, 2017, the commission received a letter from Rino Construction requesting a payment plan and also providing reasons for the company's failure to respond in a timely manner. The company stated the reason they missed the original deadline was due to staff disruption in their organization over the summer. The company also claims they have created a new general manager to position to oversee similar business processes in the future.

Staff reviewed the letter submitted by Rino Construction in conjunction with all other relevant information, and recommends that the commission accept the company's request to schedule a payment plan. The company admitted the error of not responding to the initial penalty

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assessment in a timely manner and has since taken the proactive step of reorganizing their management structure to create a new position to address similar issues in the future. Staff's research also indicates that Rino Construction has not had any further violations of RCW 19.122 since the original penalty assessment was issued on June 6, 2017.

Staff recommends the commission accept the following mutually agreed upon payment arrangements to satisfy the \$16,000 penalty:

<b>Due Date</b>	<b>Amount</b>
Nov. 15, 2017	\$2,666
Dec. 15, 2017	\$2,666
Jan. 15, 2018	\$2,666
Feb. 15, 2018	\$2,666
March 15, 2018	\$2,666
April 15, 2018	\$2,670
<b>Total</b>	<b>\$16,000</b>

Finally, staff recommends that if the company fails to timely pay any installment of the agreed upon payment plan, the entire remaining balance will become immediately due and payable.

Sincerely,

Sean C. Mayo  
Pipeline Safety Director