

CERTIFIED MAIL

June 19, 2002

Kevin Weber, President
Basin Frozen Foods, Inc.
PO Box 747
Warden, WA 98857

Dear Mr. Weber:

Subject: 2002 Intrastate Natural Gas Standard Inspection and Drug and Alcohol Inspection

The Washington Utilities and Transportation Commission (WUTC) is responsible for the enforcement of the pipeline safety rules pertaining to the construction, maintenance, and operation of pipelines that transport natural gas in the state of Washington (RCW 80.28). The Commission has adopted the Code of Federal Regulations (CFR) Title 49 Parts 191, 192, 199 and the Washington Administrative Code (WAC) 480-93.

Any gas company, which violates any public safety provision of RCW 80.28.210 or regulation issued thereunder, is subject to a civil penalty not to exceed twenty-five thousand dollars for each violation for each day that the violation persists. The maximum civil penalty under WAC 480-93-223 is five hundred thousand dollars.

On April 15, 16, and 17, 2002, Commission staff conducted a pipeline safety inspection of Basin Frozen Foods, Inc. (Basin) six-inch natural gas transmission pipeline system in Warden. The standard intrastate natural gas transmission pipeline inspection and drug and alcohol inspection of Basin was to review the operations and maintenance (O&M) manual, records, facilities and to conduct field tests to verify compliance with federal and state codes. The purpose of the inspection was to ensure public safety and safe pipeline operations. It is not to be assumed that the inspections detected all violations of federal and state regulations. It is incumbent upon the operator to determine and remediate all areas of non-compliance.

Basin Frozen Foods, Inc.
Docket Nos. UG-020230 & UG-020232
June 19, 2002
Page 2 of 3

Staff finds that Basin has 26 violations pertaining to the operation of the transmission pipeline. Of the 26 violations, 11 were found to be repeat violations from the 2001 inspections. These violations result in a staff recommended penalty of \$111,000.

We want to offer Basin an opportunity to talk with Staff and potentially reach an agreement with Staff on appropriate sanctions against the company for its apparent unlawful acts, as well as action required to achieve immediate and future compliance with federal law, state law, and Commission rules. If Basin is interested in pursuing such an opportunity, a representative of your company may contact Doug Kilpatrick, Pipeline Safety Director, no later than July 3, 2002. Mr. Kilpatrick can be reached at (360) 664-1154 or by e-mail at dkilpatr@wutc.wa.gov. If Mr. Kilpatrick does not hear from you by July 3rd, the recommended penalty of \$111,000 will be taken before the Commission.

If you have any questions regarding this matter, you may contact Mr. Kilpatrick directly.

Sincerely,

Carole J. Washburn
Executive Director

Enclosure

Proposed Recommended Penalty	
Violation 1	\$1,000
Violation 2	\$1,000
Violation 3	\$1,000
Violation 4	\$1,000
Violation 5	\$1,000
Violation 6	\$2,000
Violation 7	\$2,000
Violation 8	\$1,000
Violation 9	\$1,000
Violation 10	\$5,000
Violation 11	\$2,000
Violation 12	\$10,000
Violation 13	\$10,000
Violation 14	\$1,000
Violation 15	\$1,000
Violation 16	\$5,000
Violation 17	\$10,000
Violation 18	\$10,000
Violation 19	\$25,000
Violation 20	\$1,000
Violation 21	\$10,000
Violation 22	\$2,000
Violation 23	\$1,000
Violation 24	\$5,000
Violation 25	\$1,000
Violation 26	\$1,000
TOTAL	\$111,000