

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND)	
TRANSPORTATION COMMISSION,)	DOCKET NOS. UG-020218
)	UG-020575
Complainant,)	
)	
v.)	
)	COMPLAINT
AVISTA UTILITIES,)	
)	
Respondent.)	
.....)	
)	

1 The Washington Utilities and Transportation Commission (Commission) alleges as follows:

I. PARTIES

2 The Commission is an agency of the State of Washington, authorized by Title 80 RCW to regulate in the public interest the rates, services, facilities, and practices of all persons engaging within this state in the business of supplying any utility service or commodity to the public for compensation, and related activities, including gas companies.

3 Respondent Avista Corporation (“Avista” or “Respondent”) is an electrical and gas company subject to regulation by the Commission pursuant to RCW 80.01.040(3), et al.

II. JURISDICTION

4 The Commission has jurisdiction over this matter pursuant to the provisions of RCW 80.01, RCW 80.04, RCW 80.28, and chapter 480-93 WAC. Specific provisions include but are not limited to: RCW 80.01.040, RCW 80.04.070, RCW 80.04.110, RCW 80.04.380, RCW 80.28.130, RCW 80.28.207, RCW 80.28.210, RCW 80.28.212, and WAC 480-93-015, -110, 183, -186, -187, 188.

III. FACTUAL ALLEGATIONS

- 5 Between February 6 through February 22, 2002, in the Spokane/Ritzville district of Avista's service area, and between June 17 through June 22, 2002, in the Goldendale Stevenson district of Avista's service area, Commission Pipeline Safety Staff (Staff) conducted standard pipeline safety inspections of Avista's facilities and operations. Staff determined that Avista had committed numerous apparent violations of WAC 480-93, which among other things, adopts by reference the provisions of Title 49, Code of Federal Regulations Part 192 (CFR), concerning minimum pipeline safety requirements. *See e.g.*, WAC 480-93-010, -015, -124, and -220. Avista was provided a copy of the Staff's investigation report. A copy is also attached to this Complaint. The Commission alleges, based on Staff's investigation report, as follows:
- 6 Avista did not have readily detectable odorization at the required levels. Records for seven test sites at Avista's facilities located in the Spokane area indicated that the systems were odorized to a level that was not readily detectible until a concentration of gas in air of 1.3 percent, which is above one percent gas in air requirement (based on an LEL of five percent). This is a violation of WAC 480-93-015, 49 CFR § 192.625 and Avista's Gas Standards Manual Section 4.18.
- 7 Avista has an undetermined number of sections of steel main and isolated steel service risers that are less than 100-feet and do not have adequate cathodic protection applied. This is a violation of WAC 480-93-110, 49 CFR §192.465 (a), and Avista's Gas Standards Manual Section 5.14.
- 8 Avista's cathodic protection survey records noted numerous main pipelines that did not meet Avista's adopted cathodic protection criterion of negative 0.85 Volt. Avista was unable to provide documentation indicating that the low cathodic protection readings were corrected within the 90-day requirement. This is a violation of WAC 480-93-110 and Avista's Gas Standards Manual Section 5.14.
- 9 Avista's pipeline facilities had numerous cathodic protection deficiencies at various points located within the perimeter of the cathodically protected pipeline. There was an insufficient number of test sites, leaving it impossible to determine whether portions of the pipeline have adequate levels of cathodic protection. This is a violation of 49 CFR § 192.469.

- 10 Regarding the Spokane/Ritzville inspection, Avista was unable to provide records that an atmospheric corrosion-monitoring program was in place. This is a violation of 49 CFR § 192.491 (c) and Avista's Gas Standards Manual Section 5.14.
- 11 Certain of Avista's system pressure "exception reports" for the Spokane district noted some systems had exceeded the established Maximum Allowable Operating Pressure (MAOP). The "exception reports" are in place to make the operator aware of an over-pressure situation that has occurred within the pipeline. Avista did not have documentation that it had notified the Commission as required following each of these pressure excursions. This is a violation of WAC 480-93-183 and Avista's Gas Standards Manual Section 4.12.
- 12 Avista's leak report forms indicated a lack of proper follow-up inspections made within the 30-day requirement for several grade 1 leaks. This is a violation of WAC 480-93-183 and Avista's Gas Standards Manual Section 5.11.
- 13 Avista personnel discovered a leaking valve while performing routine annual valve maintenance. This leak was not graded at the time of discovery. However, repairs were made at a later date. This is a violation of WAC 480-93-186 (b) and Avista's Gas Standards Manual Section 5.11.
- 14 Leak records maintained by Avista for the Spokane district contained leak documentation that did not contain the required information. Follow-up records for some grade 1 leaks with residual gas were incomplete, with no re-check documentation. This is a violation of WAC 480-93-187 and Avista's Gas Standards Manual Section 5.11.
- 15 Regarding leak surveys that were caused by third party damage, Avista personnel did not indicate on these records that a pressure test was performed. The pressure test ensures the integrity of a pipeline following damage caused by an outside force. This is a violation of WAC 480-93-188 (6) and Avista's Gas Standards Manual Section 5.11.
- 16 Avista's Spokane office was unable to provide records of the required notification for new construction plat customers concerning the option to install an Excess Flow Valve (EFV). This is a violation of 49 CFR § 192.383 (b) and Avista's Gas Standards Manual Section 4.23.

IV. CLAIM FOR RELIEF

- 17 The Commission, realleges paragraphs 2 - 16.
- 18 WAC 480-93-010 requires gas companies' gathering, storage, distribution, and transmission facilities be designed, constructed, maintained, and operated in compliance with the provisions of Title 49 CFR, Parts 191, 192, 193, and 199.
- 19 RCW 80.28.212 states (in pertinent part) that any gas company that violates any regulation issued under authority of RCW 80.28.210 shall be subject to a civil penalty to be directly assessed by the Commission. Staff recommends the imposition of penalties totaling \$81,000. The Commission is not bound by that recommendation and may impose penalties in the maximum amount permitted by law, or any other lesser amount permitted by law. The Commission may also order Avista to make repairs, improvements or other changes as may be deemed appropriate. RCW 80.28.130.
- 20 The Commission may issue penalties to any gas company, which violates any public safety provision of RCW 80.28.210 or regulation issued thereunder. Gas companies violating provisions of Chapter 480-93 WAC are subject to a civil penalty not to exceed \$25,000 for each violation for each day that the violation persists. The maximum civil penalty under this subsection for a related series of violations is \$500,000.
- 21 The Commission may compromise any civil penalty issued for violations of RCW 80.28.210, and by reference therein, for violations of any Commission regulation issued thereunder. *RCW 80.28.212.*
- 22 The Commission directs that a prehearing conference be scheduled.

V. COMPLAINT

- 23 The Commission finds that probable cause exists to issue this complaint against the Respondent as follows:
- 24 (1) Respondent has failed to comply with the rules and orders of the

Commission as set forth in the allegations above.

- 25 (2) The Commission should assess monetary penalties and/or other sanctions against the Respondent if the alleged violations of state law or Commission rules or orders identified by Staff during its investigation of Company practices are proven.
- 26 (3) The Commission should consider ordering whatever improvements or other changes in Avista's gas plant that may be appropriate.

DATED at Olympia, Washington, and effective this 15th day of November, 2002.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARILYN SHOWALTER, Chairwoman

RICHARD HEMSTAD, Commissioner

PATRICK J. OSHIE, Commissioner