

[Service Date May 2, 2005]

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

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY, INC.,

Respondent.

DOCKET NO. PG-041209

COMPLAINT

- 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 Puget Sound Energy, Inc., (“PSE” or “Respondent”) is an electrical and gas company subject to regulation by the Commission pursuant to RCW 80.01.040(3), RCW 80.28.210, and chapter 480-93.

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 480-93-010, WAC 480-93-220, and WAC 480-93-223.

III. FACTUAL ALLEGATIONS

5 On June 22, 2004, at 35th Avenue West and West Smith Road in Seattle, Pilchuck
Contractors, Inc. (Pilchuck), a PSE contractor, was performing work for PSE. The
project involved the installation of 3500 feet of 6-inch polyethylene (PE) pipe.
The Pilchuck crew was working on a 2-inch tie-in for the new 6-inch PE main.

6 As a result of the failure to follow PSE Gas Operating standards, an employee of
Pilchuck was burned and hospitalized.

7 At the time of the incident, the Pilchuck employee was purging a newly installed
gas main. Purging is the process where the gas in a container is replaced with an
inert substance to prevent an explosive air-natural gas mixture from forming.

8 Pipe squeezers were lifted allowing gas to flow to the point of connection. The
result was that gas flowed to the tee fitting before a purge riser was installed. If
the purge riser, a vertical pipe allowing vented air/gas to be discharged to the
atmosphere in a controlled manner, had been installed, the gas would have been
discharged up to the atmosphere rather than the ditch where the contractors
were working.

- 9 Since the gas was flowing improperly, the Pilchuck employee jumped into the hole to stop the flow of gas at the tee. Static electricity caused ignition of the flowing gas seriously burning the Pilchuck employee. Following the incident, emergency responders were called and the employee was transported to Harbor View Medical Center where he was hospitalized.
- 10 The work performed was covered by written standards and filed procedures for “purging” and “preventing accidental ignition” that, when followed, allow the work to be done safely. These standards and procedures are contained in the 2004 PSE Gas Operating Standards Part 2525.3400.
- 11 PSE is ultimately responsible for ensuring that work conducted on their system meets the requirements of 49 CFR Part 192.
- 12 Chapter 480-93 WAC adopts certain minimum gas pipeline safety requirements, by adopting by reference specific provisions of Title 49, Code of Federal Regulations (CFR) Part 192 and requires gas companies to comply with such regulations. *See e.g.*, WAC 480-93-010, WAC 480-93-015, and WAC 480-93-220. For purposes of this Complaint, when a violation of a specific section of the CFR is alleged, that is intended to allege a violation of Commission rules adopting such regulations.
- 13 In addition, according to 49 CFR Part 192.13(c), PSE is required to follow the requirements of its Gas Operating Standards Manual. Accordingly, the same conduct may violate both a standard in Commission rules and/or the CFR, as well as a standard contained in the PSE’s Gas Operating Standards Manual. However, in this circumstance, this Complaint alleges three violations.
- 14 The Commission alleges as follows:
- 15 **49 CFR Part 192.605(a).** “Each operator shall prepare and follow a manual of

written procedures for conducting operations and maintenance activities.” *See also 49 CFR Part 192.13(c)*. Three violations are alleged. PSE failed to follow its Gas Operating Standards Manual 2525.3400 relating to purging in three instances.

- 16 Procedure 2525.3400 of PSE’s Gas Operating Standards Manual, Section 4.1 requires that purge connections be located at the downstream section to be purged and positioned to protect the public and personnel performing the purge. The purge assembly was incomplete.
- 17 Procedure 2525.3400 of PSE’s Gas Operating Standards Manual, Section 4.2 states that vent piping shall be orientated to direct purged gas away from workers, public and property. A riser was not installed.
- 18 Procedure 2525.3400 of PSE’s Gas Operating Standards Manual, Section 6.3 requires that the pipe be grounded to prevent development of static discharge. The pipe was not grounded.
- 19 Based on the foregoing allegations, a total of three violations are alleged. The total potential penalty for each violation, according to WAC 480-93-223, is twenty-five thousand dollars.

IV. CLAIM FOR RELIEF

- 20 The Commission realleges paragraphs 5 – 19.
- 21 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.
- 22 The total number of violations alleged in this Complaint is three violations.

23 RCW 80.28.212 states, in pertinent part, that any gas company that violates any regulations 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 impositions of penalties totaling \$75,000. 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 PSE to make repairs, improvements or other changes as may be deemed appropriate. *RCW 80.28.040 and RCW 80.28.130.*

24 The Commission may issue penalties to any gas company that violates any public safety provision of RCW 80.28.210 or regulations issued thereunder. Gas companies violating provisions of chapter 480-93 WAC are subject to a civil penalty not to exceed twenty-five thousand dollars for each violation for each day that the violation persists.

25 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.*

26 The Commission directs that a prehearing conference be scheduled.

V. COMPLAINT

27 The Commission finds that probable cause exists to issue this complaint against the Respondent as follows:

28 (1) Respondent has failed to comply with the rules and orders of the Commission as set forth in the allegations above.

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

DATED at Olympia, Washington, and effective this 29th day of April, 2005.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARK H. SIDRAN, Chairman

PATRICK J. OSHIE, Commissioner

PHILIP B. JONES, Commissioner