

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION

In the Matter of the Compliance of)	DOCKET NO. UG-010499
)	
BASIN FROZEN FOODS, INC.)	
2001 Standard Intrastate Transmission)	ORDER REQUIRING
Pipeline Audit)	PIPELINE SAFETY COMPLIANCE
.....)	

BACKGROUND

- 1 Basin Frozen Foods, Inc. (Basin or Company), located in Warden, Washington, is a natural gas intrastate transmission pipeline company within the meaning of RCW 80.04.010, RCW 80.28.210, WAC 480-93-005(8), and WAC 480-93-002. As such, it is subject to the jurisdiction of the Washington Utilities and Transportation Commission (Commission). Avista Utilities was providing natural gas service to the Basin plant through its distribution pipeline system. Basin is now proposing to bypass Avista Utilities by building its own 3.8-mile 6-inch high-pressure steel pipeline.
- 2 Basin’s transmission pipeline connects to the Williams Gas Pipeline – West interstate system. Basin’s pipeline is located in the right-of-way of public roads and streets within the City of Warden and Grant County, and it will serve only the Basin plant. Basin will purchase a section of Avista’s existing 4-inch pipeline that is connected to the 6-inch transmission line. On April 25, 2001, Commission Staff performed an inspection of the pipeline that the Company proposes to operate. At that time the pipeline was constructed but not transporting natural gas.
- 3 The Code of Federal Regulation Title 49 (CFR) Part 192.605(a), adopted for application in Washington State by WAC 480-93-010 and WAC 480-93-999, requires that a pipeline operator prepare all operation, maintenance, and emergency procedures before it begins pipeline system operations. Washington Administrative Code (WAC) section 480-93-180 requires that the operating plans and procedures must be promptly filed with the Commission for review and requires that the Commission determine whether they are adequate to achieve an acceptable level of safety.
- 4 A pipeline company must operate and maintain its pipeline as required by CFR Parts 192.605 and 192.13 (c). The Commission Staff determined as a result of its inspection of the Company’s manuals, records, and facilities and Commission Staff

field tests that Basin is not in compliance with all pipeline safety requirements. Commission Staff identified 22 specific violations, including failure to:

- Document the maximum allowable operating pressure,
- Prepare start up and shut down procedures,
- Document pressure relief capacity,
- Patrol the pipeline in a timely manner,
- Establish operating procedures for abnormal circumstances,
- Prepare adequate emergency response plans,
- Service and maintain transmission line valves , and
- Provide documentation of emergency response personnel training.

5 Commission Staff formally notified Basin of its findings by letter. Basin responded by letter that it would provide evidence of compliance no later than October 1, 2001. Basin has not met its commitment to provide that evidence. Therefore, the Commission Staff has asked the Commission to enter an order directing Basin to comply with pertinent laws and regulations, and directing Basin to provide evidence of its compliance, at a compliance inspection.

6 Failure to provide adequate procedures and training, and to maintain the pipeline in accordance with pipeline safety regulations, can result in corrosion, natural gas leaks, overpressure of the system, or natural gas fires and explosions that may endanger members of the public, the operator's employees, and property.

7 The specific matters that Commission Staff called to Basin's attention are set out in Appendix A, which is the Commission Staff's Letter of Non-Compliance and Non-Compliance Report. These matters are subject to the provisions of RCW 80.28.210 and 80.28.212 and WAC 480-93-223, which define violations of law and rule and which establish penalties for failure to comply with pipeline safety requirements.

8 The Commission considered this matter at its open meeting of October 24, 2001, and directed the Commission's Executive Secretary to enter this order requiring Basin to come into compliance with pertinent regulations by correcting the violations identified in Appendix A to this Order, and by providing proof to the Commission of its compliance no later than November 7, 2001.

FINDINGS OF FACT

9 (1) The Washington Utilities and Transportation Commission is an agency of the State of Washington, vested by statute with the authority to regulate rates, rules, regulations, practices, and accounts of public service companies including gas companies as it affects public safety.

- 10 (2) Basin Foods, Inc., is a Washington corporation and is a gas company as defined in RCW 80.04.010 and RCW 80.28.210.
- 11 (3) The Commission has adopted the Code of Federal Regulations (CFR) Title 49 Part 192, for application to Washington intrastate pipeline companies in WAC 480-93-010 and WAC 480-93-999.
- 12 (4) The Commission sent a Non-Compliance Letter and Non-Compliance Report to Basin Foods, Inc. on June 4, 2001, identifying twenty-two probable violations.
- 13 (5) On July 5, 2001, Basin responded to the Commission with a letter, set out in Appendix B to this order, stating its intent to correct the violations and to come into compliance. The Company stated that some violations appeared to stem from a lack of documentation rather than underlying problems, and it explained that a key employee had left before completion of the project. It stated that it would come into compliance, and it committed to provide proof of that compliance no later than October 1, 2001.
- 14 (6) Commission Staff reviewed the compliance letter of intent. Staff accepted it as providing a plan for compliance, and declined to take further steps to enforce compliance pending receipt of the proof of compliance that Basin committed to provide, and a reinspection of the documents and facilities by Commission Staff. The Commission Staff intends to conduct this inspection on November 7, 2001.
- 15 (7) To date, the Commission has not received evidence from Basin that it has come into compliance with pertinent regulations.

CONCLUSIONS OF LAW

- 16 (1) The Washington Utilities and Transportation Commission has jurisdiction over the subject matter of, and all parties to, these proceedings.
- 17 (2) Basin Foods, Inc., is a gas company as defined in RCW 80.04.010 and RCW 80.28.210. It is also subject to Chapter 480-93 WAC by WAC 480-93-002 and to Title 49 CFR by WAC 480-93-010 and WAC 480-93-999.
- 18 (3) Basin Foods, Inc., has failed to demonstrate to the Commission, within the time it committed to do so, that it has come into compliance with regulations identified as violations in the Commission Staff inspection report of June 5, 2001. Because of that failure, and because the Commission therefore has no evidence that the company has come into compliance, the Commission should

order Basin to correct the violations, comply with the provisions of rule, and to demonstrate its compliance no later than November 7, 2001.

ORDER

THE COMMISSION ORDERS:

- 19 (1) Basin Foods, Inc., must take the steps set out in Appendix A to this Order, to
come into compliance with pertinent regulations.
- 20 (2) Basin Foods, Inc., must provide evidence of its compliance to the Commission
no later than November 7, 2001.

DATED at Olympia, Washington and effective this 24th day of October, 2001.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

RICHARD HEMSTAD, Commissioner

PATRICK J. OSHIE, Commissioner