

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

In re Commission Investigation of the
Natural Gas Pipeline System of

AVISTA UTILITIES

DOCKET PG-100049

[PROPOSED]
ORDER 01

ORDER ACCEPTING
AGREEMENT AND CLOSING
INVESTIGATION

- 1 This docket involves an inspection by the Staff of the Utilities and Transportation Commission (Commission) of the natural gas pipeline system owned and operated by Avista Utilities (Avista) in its Spokane and Ritzville districts.
- 2 Staff conducted the inspection in September and October, 2010. Staff sent an Inspection Report to Avista on November, 17, 2010, alleging several probable violations of Commission statutes and rules, as well as areas of concern. Avista responded to the report in writing on December 20, 2010, with a letter of intent to correct the noted violations. These documents have been posted to this docket. Avista and Staff engaged in further discussion regarding the investigation and its findings, and Avista's response.
- 3 Avista's responses to the inspection involved investigating, remediating, re-writing policies and procedures, and identifying corrective actions taken by Avista to ensure compliance with the applicable regulations. Avista and Staff subsequently reached an agreement to resolve the outstanding issues in the docket. The Agreement represents an appropriate way to address the issues in this docket, including compliance, as well as a means for Avista to agree to take specific steps to improve its system and practices.
- 4 On November 2, 2011, Commission Staff and Avista filed an Agreement consisting of: a "Stipulated Agreement to Close Docket" and Appendices A, B, and C. The Agreement and appendices are attached to this Order, and incorporated by this reference.
- 5 The Agreement is not effective until approved by the Commission.
- 6 The Commission has reviewed the Agreement and the appendices and has determined that

they provide an appropriate basis for concluding this docket, and are consistent with the public interest by requiring compliance with regulatory requirements governing natural gas pipelines. Therefore, the Commission approves the Agreement and its appendices, and closes the investigations.

FINDINGS OF FACT

- 7 (1) Avista Utilities owns and operates a gas pipeline distribution system serving the public in the state of Washington.
- 8 (2) Commission Staff conducted an inspection of Avista's gas distribution system in its Spokane and Ritzville districts in Docket PG-100049, which is summarized in Appendix A to the Agreement.
- 9 (3) Commission Staff and Avista have entered into the Agreement as an appropriate resolution of the issues raised by the inspection in Docket PG-100049.
- 10 (4) The Commission has reviewed the Agreement and its appendices. The Agreement is an appropriate resolution of the issues raised by the inspection in Docket PG-100049.

CONCLUSIONS OF LAW

- 11 (1) The Commission has jurisdiction under RCW 80.28 to regulate the safety of the gas plant owned and operated by Avista Utilities.
- 12 (2) The Agreement entered into between Avista and Commission Staff represents an appropriate resolution of the issues raised by the inspection in this docket and is in the public interest. The Agreement should be approved, and this docket should be closed.
- 13 (3) The effective date of the Agreement is the date of this Order.

ORDER

14 THE COMMISSION ORDERS:

- (1) The Agreement filed between Avista Utilities and Commission Staff on November 2, 2011, is approved, and the investigation in this docket is closed. The Agreement and

appendices attached to this Order are incorporated by this reference to this Order.

- (2) The Commission retains jurisdiction to effectuate the terms of this Order, including enforcement of the Agreement, if necessary.

DATED at Olympia, Washington, and effective Month ____, 2011.

WASHINGTON STATE UTILITIES AND
TRANSPORTATION COMMISSION

JEFFREY D. GOLTZ, Chairman

PATRICK J. OSHIE, Commissioner

PHILIP B. JONES, Commissioner