

**BEFORE THE WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY, INC.,

Respondent.

DOCKET PG-111723

ORDER 01

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, including gas companies. In addition, the Commission is authorized by Chapter 81.88 RCW to regulate the safety of the facilities of gas pipeline companies.

3 Respondent Puget Sound Energy, Inc. (PSE) is a corporation that, among other things, is a gas company providing gas service to the public for compensation, and PSE also is a gas pipeline company that owns and operates a system for transporting natural gas within the state of Washington.

II. JURISDICTION

4 The Commission has jurisdiction over PSE because PSE is a “pipeline company” subject to gas pipeline safety regulation by the Commission pursuant to RCW 81.88.040, *et al.* as well as a “gas company” subject to Commission regulation under RCW 81.28.

5 The Commission has jurisdiction over the subject matter of this Complaint pursuant to the provisions of RCW 80.01, RCW 80.04, RCW 80.28, RCW 81.88, and WAC 480-93. 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 80.04.385, RCW 80.04.405, RCW 80.04.410, RCW 80.28.010, RCW 80.28.040, RCW 80.28.130, RCW 81.88.005, RCW 81.88.010, RCW 81.88.030, RCW 81.88.040, RCW 81.88.065, RCW 81.88.100, WAC 480-93-180 and 188.

III. FACTUAL ALLEGATIONS

6 On September 26, 2011, a natural gas explosion and fire destroyed a house located at 12312 5th Avenue N.E., in the Pinehurst neighborhood of Seattle, Washington. Commission Staff investigated the incident and filed its investigative report with the Commission on December 26, 2012. The following paragraphs 7-15 are based on information contained in that report.

7 The owners of the house are Mr. David Ingham and Ms. Hong Ingham, husband and wife. The Inghams were inside the house at the time of the explosion and they both were injured. In addition, their house and motor vehicles were destroyed. The explosion also damaged neighboring homes and other buildings in the area.

8 The fuel source of the explosion and fire was natural gas. Gas leaked because the day before the explosion, September 25, 2011, a nearby high voltage power line owned by Seattle City Light fell to the ground and energized PSE's gas system in the area. The electricity arced from PSE's gas service line at the Inghams' house to the Inghams' sewer pipe (the sewer pipe acted as a ground), thereby creating a hole in the PSE gas service pipe, from which gas leaked. Most likely, the gas migrated to the crawl space under the Inghams' house, entered the living space, and was ignited, causing the explosion and fire.

9 However, Commission Staff could not eliminate the possibility that the electrical current running through the gas pipe continued into the Ingham's house and caused another gas leak in the Ingham's fuel line, furnace or other facilities.

- 10 On September 25, 2011, PSE received separate calls indicating there were three separate leaks in PSE's gas system in the Pinehurst neighborhood. PSE promptly responded and addressed the three gas leaks. PSE recognized the leaks were caused by electrical arcing, which is unusual. In view of these unusual circumstances, PSE promptly initiated two special gas leak surveys in the Pinehurst area that same day.
- 11 The first PSE special leak survey (first special leak survey) began at approximately 5:30 p.m. on September 25, 2011. This first special leak survey was for PSE's wrapped steel gas piping, and it included a walking leak survey. The area of the first special leak survey was 5th Avenue N.E. to 12th Avenue N.E. and N.E. 115th Street to N.E. 130th Street. Included within this area were the Inghams' house, the two houses neighboring the Inghams' house and the paved private drive to these three houses.
- 12 In the first special leak survey, PSE did not leak survey the PSE wrapped steel main under the private drive to these three houses or the PSE wrapped steel services serving these three houses.
- 13 The second PSE special leak survey (second special leak survey) started at approximately 9:30 p.m. on September 25, 2011. This was a mobile leak survey using gas detection equipment mounted to motor vehicles. PSE identified the scope of the facilities to be surveyed as PSE gas piping located in the public rights-of-way accessible to a vehicle. The area of the second special leak survey was 5th Avenue N.E. to 15th Avenue N.E. and N.E. 105th Street to N.E. 130th Street. Included within this area were the Inghams' house, the two houses neighboring the Inghams' house and the paved private drive to these three houses. The paved private drive is accessible to a vehicle.
- 14 In the second special leak survey, PSE did not leak survey the PSE wrapped steel gas main under the private drive to the three houses.
- 15 In the second special leak survey, PSE did not leak survey all gas service lines located outside the public right of way (or inaccessible to vehicles within the public right of way). PSE only leak surveyed a service line if the gas detection equipment on the vehicle detected gas. In that circumstance, PSE would conduct a leak survey only of service lines around that specific location to the extent necessary to resolve that

specific instance of gas detection.

IV. VIOLATIONS

16 WAC 480-93-188, entitled “Gas leak surveys” states in part:

(4) Each gas pipeline company must conduct special leak surveys under the following circumstances: ... (d) In areas and at times of unusual activity ...

17 WAC 480-93-180 states in part:

(1) Each gas pipeline company must have and follow a gas pipeline plan and procedural manual (manual) for operation, maintenance, inspection and emergency response activities that is specific to the company’s system.

18 PSE has a manual of the sort required by WAC 480-93-180. Section 4625.1140 of PSE’s manual addresses “Conducting a Walking Leak Survey”, and it instructs, under “Surveying Buried Pipe”, “Step 1”:

Walk along the route of the pipeline using the portable FI instrument ...

19 Section 4625.1130 of PSE’s manual addresses “Conducting a Mobile Leak Survey”, and it instructs under “Performing Survey”, “Step 2”:

In paved locations, drive along the curb where the main is located or along the street and perform the survey ...

20 While in this instance PSE complied with WAC 480-93-188(4) to the extent PSE promptly initiated special leak surveys in the area of unusual activity, PSE violated WAC 480-93-188(4) by failing to complete the leak surveys. In particular:

21 A. PSE failed to complete the first special leak survey because PSE failed to leak survey the PSE wrapped steel main located under the private drive to the Inghams’ house and the two neighboring houses and the PSE wrapped steel services serving these three houses.

22 B. PSE failed to complete the second special leak survey because PSE failed to
leak survey the PSE gas piping located under the private drive to the Inghams'
house and all the PSE gas service pipe located in the area of the second leak
survey.

23 PSE also violated WAC 480-93-180 because PSE failed to follow its manual Sections
4625.1140 and 4625.1130 in the following respects:

24 C. PSE failed to follow Section 4625.1140 as to the first special leak survey,
because PSE failed "to walk along the route of the pipeline using the portable
FI instrument" with respect to the section of pipeline consisting of PSE's
wrapped steel main under the paved private drive to the Inghams' house and
the two neighboring houses and the PSE wrapped steel services serving these
three houses.

25 D. PSE failed to follow Section 4625.1140 as to the second special leak survey,
because PSE failed to "drive along the curb where the main is located or along
the street" with respect to the section of pipeline consisting of PSE's wrapped
steel main located under the paved private drive to the Inghams' house and the
two neighboring houses.

V. CLAIM FOR RELIEF

26 The Commission realleges Paragraphs 1-20.

27 RCW 81.88.040(2)(a) provides for "a civil penalty to be directly assessed by the
commission" for violations of Commission gas pipeline safety rules. According to
WAC 480-93-223, the maximum civil penalty for each such violation is one hundred
thousand dollars (\$100,000.00) for each violation for each day that the violation
persists, and the maximum civil penalty for a related series of violations is one
million dollars (\$1,000,000.00).

28 With regard to the violations described in Paragraph 20 A and C above (related to the
first special leak survey), the Commission alleges four violations of WAC 480-93-
188(4) and four violations of WAC 480-93-180. Per WAC 480-93-223, the maximum

monetary penalty is \$800,000.00 (eight hundred thousand dollars). This figure could be higher if the evidence shows PSE failed to leak survey other wrapped steel piping in the area of the first leak survey. If so, the additional violations would be a related series of violations, and if the violation number total is ten or more, per WAC 480-93-223, the maximum monetary penalty is \$1,000,000.00 (one million dollars).

29 With regard to the violations described in Paragraph 20 B and D (related to the second special leak survey), the Commission alleges multiple violations of WAC 480-93-188(4). The exact number of violations would be the total of the number of PSE services not surveyed, plus the PSE main under the Inghams' private drive that was not surveyed. This total is not known to the Commission at this time. However. The Commission believes and therefore alleges that because the number far exceeds nine (because there are far more than nine service lines in the area of the second special leak survey that PSE did not survey), and because the violations are a related series of violations, per WAC 480-93-223, the maximum monetary penalty is \$1,000,000.00 (one million dollars). This amount is in addition to the one million dollar amount described in Paragraph 23.

30 Based on information available at the time this Complaint was issued, Commission Staff intends to recommend a monetary penalty of \$400,000.00 (four hundred thousand dollars).

31 The Commission will determine the monetary penalty to be issued, if any, based on a consideration of all relevant factors. The Commission is not bound by Staff's recommendations. The Commission may impose penalties up to the maximum amount permitted by law. The Commission may also order PSE to make such further repairs, improvements or other changes as may be deemed appropriate. RCW 80.28.130.

V. COMPLAINT

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

- (1) Respondent has failed to comply with the statutes and rules of the Commission as set forth in the allegations above.
- (2) The Commission should assess monetary penalties and/or other sanctions against the Respondent if the alleged violations of state law or Commission rules are proven.
- (3) The Commission should order such other and/or further relief as is appropriate under the circumstances.

DATED at Olympia, Washington, and effective March 1, 2013.

GREGORY J. KOPTA
Director, Administrative Law Division
Washington Utilities and Transportation
Commission