



November 16, 2006

Sondra Walsh  
Operations Manager  
WUTC  
PO Box 47250  
Olympia, WA 98504-7250

**RE: Stipulated Agreement to Close Docket No. UG-051609**

Dear Sondra:

Please find attached an executed copy of the referenced agreement. It was unanimously approved by the Enumclaw City Council on November 13 by Resolution No. 1185 and signed by Mayor Wise yesterday. I have also included a copy of the resolution.

Please send me a copy of the executed agreement and information on the schedule before the Commission. I am available at (360) 615-5721 or [ChrisSearcy@ci.enumclaw.wa.us](mailto:ChrisSearcy@ci.enumclaw.wa.us) if you need anything further. Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Chris Searcy".

Chris Searcy  
Public Works Director

cc: File

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OCT 10 2006 11:08:56  
REGISTRATION  
DIVISION

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION  
COMMISSION

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|--|---|
| WASHINGTON UTILITIES AND<br>TRANSPORTATION COMMISSION,<br><br>Complainant,<br><br>v.<br><br>CITY OF ENUMCLAW,<br><br>Respondent. | DOCKET NO. UG-051609<br><br>STIPULATED AGREEMENT TO<br>CLOSE DOCKET |
|--|---|

*1* This Stipulated Agreement to Close Docket (Agreement) is entered into between the City of Enumclaw (City) and the Staff of the Washington Utilities and Transportation Commission (Commission Staff) (collectively, the Parties). This Agreement consists of this “Stipulated Agreement to Close Docket,” the attached Appendix A: Non-Compliance Report (April 6, 2006), and the attached Appendix B: Summary (May 17, 2006). This Agreement is subject to review and disposition by the Washington Utilities and Transportation Commission (Commission), and it is not effective for any purpose until it is approved by the Commission. The effective date of this Agreement is the date of the Commission order approving it.

2           The Parties understand the process for approval of this Agreement is at the  
discretion of the Commission. However, the Parties believe the Commission may  
close this docket under the conditions stated herein by means of taking action on the  
consent agenda at an open public meeting, if the Commission desires to do so. The  
Parties hereby recommend that procedure to the Commission.

3           In this docket, the Commission Staff conducted a safety inspection of certain of  
the City's pipeline facilities. The City owns and operates a natural gas pipeline facility  
serving residences and businesses located in the City limits and certain parts of  
unincorporated King County.

4           On April 6, 2006, the Commission Staff issued to the City a "Non-Compliance  
Report" (April 6 Report) (attached as Appendix A), alleging several violations of  
Commission statutes and rules regarding the condition of the City's gas lines and  
operating procedures. The April 6 Report also alleged that some violations were  
repeat violations. On May 17, 2006, Commission Staff issued a summary of its review  
of the City's operation and maintenance (O&M) manual. The Summary (attached as  
Appendix B) identified 10 areas of alleged deficiencies.

5           The City responded to the April 6 Report by investigating the matters alleged,  
remediating the substandard conditions identified, re-stating the City's policies and

procedures, and identifying corrective actions taken by the City in an attempt to ensure compliance with the regulations. The Commission Staff has reviewed (but not field verified) the remedial actions taken by the City and agrees the steps outlined by the City has corrected the specific conditions alleged in the April 6 Report. The City also has reviewed its system to determine whether the same conditions identified as deficiencies in the April 6 Report exist elsewhere on the City's system, and if so, those conditions have been remediated. Commission Staff has not attempted to confirm that any other deficiencies have been corrected.

6           The Parties have mutually agreed to a means by which this docket can be closed without further action by the Commission. The Parties agree and stipulate as follows:

7           1.       The City concurs that there were violations of Commission rules regarding the condition of the City's gas lines and its policies and procedures.

8           2.       The City will retain a qualified consultant who will prepare a new Operation and Maintenance (O&M) Manual for the City, containing applicable policies and procedures related to the City's operation of its gas system, and including the City's operator qualification plan. Before retaining the consultant, the City will obtain the Commission Staff's agreement that the consultant has the qualifications necessary to do the work accurately and effectively. The new O&M Manual will

comply with all relevant parts of 49 CFR, Parts 191 and 192 together with RCW 80.28 and WAC 480-93. The O&M Manual's policies and procedures will specifically apply to the City's gas system. In December, 2006, the City will hire the consultant, who will begin work on or before January 1, 2007. The City's new O&M Manual will be completed and submitted to the Commission by March 31, 2007. The City will bear the cost of the consultant's services.

9           3.       By January 31, 2007, the City will develop and implement a training plan that provides continuing training opportunities for City employees responsible for the operation and maintenance of specialized equipment such as the City's gas control systems. These training opportunities will include attending industry level training provided by manufacturers of gas equipment, components and electrical systems specific to Enumclaw's gas system. When the training plan is completed, the City will provide a copy to the Commission.

10           4.       The City agrees to assign an employee to the role of "Natural Gas Systems Engineer" or "Natural Gas Systems Manager." This person shall be knowledgeable of the applicable federal and state pipeline safety regulations and experienced in the operation of gas distribution systems. This person shall also coordinate all work of the City's gas system personnel and be responsible for maintaining up to date plans, procedures and records as required under such

regulations. The Parties understand that it is critical that this person not have responsibilities outside the management of City's gas system. The City will also maintain other staff dedicated to the maintenance and operation of its system, including an Operations Supervisor and, at minimum, four qualified persons. No later than June 30, 2007, the City will have in place the staffing described in this section.

11           5.       Nothing in this Agreement affects the ability of the Commission Staff to seek a complaint for penalties or other appropriate relief, if gas pipeline safety rule violations are found in subsequent inspections by Commission Staff of the City's gas distribution system and/or procedures. Nothing in this Agreement prevents or places any conditions upon the City from contesting any such Commission enforcement action, if any is initiated.

12           This is the entire agreement of the Parties. It may not be cited as precedent in any proceeding other than a proceeding to enforce the terms of this Agreement.

13           This Agreement is considered executed when all Parties sign the Agreement. A designated and authorized representative may sign the Agreement on a Party's behalf. The Parties may execute this Agreement in counterparts. If the Agreement is executed in counterparts, all counterparts shall constitute one agreement. An Agreement signed in counterpart and sent by facsimile is as effective as an original document. A faxed signature page containing the signature of a Party is acceptable as

an original signature page signed by that Party. Each Party shall indicate the date of its signature on the Agreement. The date of execution of the Agreement will be the latest date indicated on the signatures.

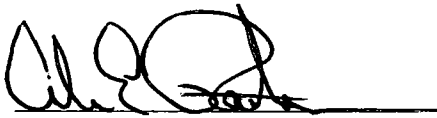
14            Upon execution, the Commission Staff will make reasonable efforts to have the matter placed on the next reasonably available Commission open meeting agenda. If this matter is not handled at a Commission open public meeting, the Parties agree to support the Agreement during the course of whatever procedures the Commission determines are appropriate.

For Commission Staff:

For the City of Enumclaw

Alan E. Rathbun  
Pipeline Safety Director

John G. Wise  
Mayor



Date signed: 11-28-06

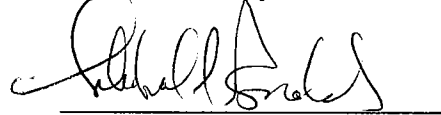
Date signed: 11/15/06

Approved as to form:

Approved as to form:

Donald T. Trotter  
Assistant Attorney General  
Counsel for Commission Staff

Michael J. Reynolds  
City Attorney  
Counsel for City of Enumclaw



Date signed: 11/21/06

Date signed: 11/15/06

Stipulated Agreement  
To Close Docket

**RESOLUTION NO. 1185**

**A RESOLUTION OF THE CITY OF ENUMCLAW, KING COUNTY, WASHINGTON AUTHORIZING THE MAYOR TO EXECUTE A STIPULATED AGREEMENT TO CLOSE DOCKET WITH THE WASHINGTON STATE UTILITIES AND TRANSPORTATION COMMISSION RELATING TO VIOLATIONS OF COMMISSION RULES REGARDING THE CONDITION OF THE CITY'S NATURAL GAS LINES AND ITS POLICIES AND PROCEDURES.**

**Whereas**, the Washington State Utilities and Transportation Commission (WUTC) has been delegated authority by the Federal Office of Pipeline Safety to regulate natural gas distribution systems, and

**Whereas**, the City has received routine inspections by WUTC staff on both its physical system and its Operations and Maintenance (O&M) Manual on a more or less annual basis, and

**Whereas**, during special inspections conducted in 2006 the WUTC staff identified several violations relating both to written operating procedures, or a lack thereof, and to violations regarding the condition of the system itself, and

**Whereas**, the City has taken remedial action to resolve the identified deficiencies, and

**Whereas**, the WUTC staff and utility staff have agreed to a means by which the docket can be closed without further action (fines) by the WUTC, and

**Whereas**, a Stipulated Agreement to Close Docket has been drafted as an alternative to fines, and

**Whereas**, the 2007 Natural Gas Utility budget request anticipates the impact of compliance with this agreement.


**Now, therefore, the City Council of the City of Enumclaw, King County, Washington does hereby resolve as follows:**

**Section 1:** The mayor is authorized to execute the Stipulated Agreement to Close Docket, attached hereto and incorporated by reference.

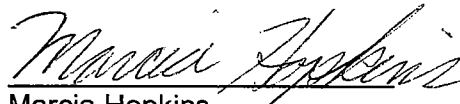


**Section 2:** If any provision of this resolution is determined to be invalid or unenforceable for any reason, the remaining provisions shall remain in force and affect.

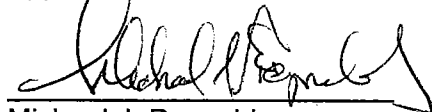
PASSED IN REGULAR AND OPEN SESSION this 13 day of November, 2006.

  
\_\_\_\_\_  
Mayor John Wise  
INTRODUCED 11/13/06  
PASSED 11/13/06  
APPROVED 11/13/06  
PUBLISHED NA

Attested:

  
\_\_\_\_\_  
Marcia Hopkins  
City Clerk

Approved as to form:

  
\_\_\_\_\_  
Michael J. Reynolds  
City Attorney