

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of a Penalty Assessment
Against

BLUELAKE UTILITY SERVICES, LLC

in the amount of \$1,000

DOCKET DG-260260

ORDER 01

DENYING REQUEST FOR
MITIGATION

BACKGROUND

- 1 On April 27, 2026, the Washington Utilities and Transportation Commission (Commission) issued a Penalty Assessment against BlueLake Utility Services, LLC (BlueLake or Company) in the amount of \$1,000 for one violation of Revised Code of Washington (RCW) 19.122.040(2)(d) for failing to use reasonable care and damaging a 2” polyethylene (PE) gas main with a backhoe while excavating.
- 2 On April 28, 2026, BlueLake filed a request for mitigation, admitting the violation and requesting mitigation based upon the fact that the two employees operating the backhoe and spotting when the strike occurred are no longer employed with the Company and are unable to take NUCA Dig Safe Training.
- 3 On April 30, 2026, Commission staff (Staff) filed a response recommending the Commission deny the Company’s request for mitigation. Staff explains that chapter 19.122 RCW is clear in its requirements that the excavator shall use safe and careful work methods and authorizes the Commission to assess a penalty up to \$25,000 if an excavator fails to take reasonable care to avoid damaging underground facilities by using safe and careful work methods, taking into consideration the known and unknown underground facilities and the surface and subsurface to be excavated. According to Staff, the Company requested mitigation of its \$1,000 penalty due to the fact that the two employees directly responsible for the damage event are no longer employed and thus cannot attend NUCA Dig Safe training. Staff shares that BlueLake has not been penalized previously by the Commission, and therefore the recommended penalty amount was \$1,000, which is the standard penalty assessed in such circumstances. Further, Staff asserts that while the employees who caused damage to the gas line are no longer employed with the Company, the Penalty Assessment recommends Company

management and field crew responsible for excavation complete NUCA Dig Safe Training, not just the two employees responsible for the damage. For these reasons, Staff concludes that the penalty amount assessed was appropriate, and that the Commission should deny the Company's request for mitigation.

DISCUSSION AND DECISION

4 RCW 19.122.055(1)(a) states, in part, that any excavators who violate any provision of this chapter and causes damage to an underground gas facility are subject to a civil penalty of not more than \$25,000 for each violation. Here, the Commission has assessed a reduced penalty of \$1,000.

5 The Commission considers several factors when entertaining a request for mitigation, including whether the company introduces new information that may not have been considered in setting the assessed penalty amount, or explains other circumstances that convince the Commission that a lesser penalty will be equally or more effective in ensuring the company's compliance.¹

6 We agree with Staff that mitigation is not appropriate. In this situation, the new information that the employees directly responsible for the damage event are no longer employed with the Company does not have bearing on the overall recommendation that Company management and field crew responsible for excavation complete NUCA Dig Safe Training. Additionally, the Commission only penalized the Company \$1,000 rather than the maximum amount of \$25,000 that could have been assessed. For these reasons, we find that the Commission appropriately penalized BlueLake for its violation and conclude that the Company's request for mitigation should be denied.

7 However, the Commission's interest in any enforcement action is in ensuring future compliance. Accordingly, we reiterate the offer in the Penalty Assessment to suspend an \$800 portion of the penalty subject to conditions. Accordingly, BlueLake must take one of the following actions within 14 days of the effective date of this Order:

- Pay the \$1,000 penalty; or
- Pay \$200 of the penalty amount and notify the Commission that the Company accepts the Commission's offer to suspend, and ultimately waive, the remaining \$800 portion of the penalty subject to the condition that: 1) Company management and field crew responsible for excavation must complete NUCA Dig

¹ Docket A-120061, Enforcement Policy for the Washington Utilities and Transportation Commission (January 7, 2013) at ¶19.

Safe Training (<https://utc-9183.quickbase.com/db/bpkt6vndh>) within 90 days of service of this Penalty Assessment; and 2) The Company must submit documentation of training completion to the Commission's web portal at <https://efiling.utc.wa.gov/Form>.

ORDER

THE COMMISSION ORDERS:

- 8 (1) BlueLake Utility Services, LLC's request for mitigation is DENIED.
- 9 (2) BlueLake Utility Services, LLC must either pay the \$1,000 penalty or accept the deferral option described in paragraph 7, above, within 14 days of the effective date of this Order. See the form served with this order titled Response to Commission Order 01.
- 10 The Secretary has been delegated authority to enter this order on behalf of the Commissioners under WAC 480-07-904(1)(h).

DATED at Lacy, Washington, and effective May 7, 2026.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION



JEFF KILLIP
Executive Director and Secretary

NOTICE TO PARTIES: This is an order delegated to the Executive Secretary for decision. As authorized in WAC 480-07-904(3), you must file any request for Commission review of this order no later than 14 days after the date the decision is posted on the Commission's website.