

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

In re Commission Investigation of the
Hazardous Liquid Pipeline System of
Agrium U.S. Inc.

DOCKET PL-070131

ORDER 01

ORDER ACCEPTING
AGREEMENT AND CLOSING
INVESTIGATION

- 1 This docket involves an inspection by the Utilities and Transportation Commission (Commission) of the hazardous liquid (ammonia) pipeline system owned and operated by Agrium U.S. Inc. (Agrium) in or near the city of Kennewick, Washington. The Commission Staff (Staff) conducted the inspection.
- 2 In Docket PL-070131, Staff conducted an inspection of Agrium's hazardous liquid pipeline in 2007. The inspection also included a review of Agrium's drug and alcohol program. Staff sent an Inspection Report to Agrium on January 8, 2008, alleging several probable violations of Commission rules and statutes related to Agrium's hazardous liquid pipeline facilities, procedures, policies, and records. Agrium responded to the report with a Letter of Intent on February 5, 2008. These documents have been posted to this docket.
- 3 Agrium and Staff subsequently reached an Agreement to resolve this docket. The agreement represents an appropriate way to address certain issues in these dockets, including compliance, as well as a means for Agrium to agree to take specific steps to improve its system and practices.
- 4 On June 2, 2008, Staff and Agrium 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 as an appendix.
- 5 The Agreement provides that it 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 these dockets, and are consistent with the public interest. Therefore, the Commission approves the Agreement and its appendices, and closes the investigation.

FINDINGS OF FACT

- 7 (1) Agrium U.S. Inc. operates hazardous liquid (ammonia) pipeline system in the state of Washington.
- 8 (2) Commission Staff conducted an inspection of Agrium's hazardous liquid pipeline system in or near the city of Kennewick, Washington in Docket PL-070131, which is summarized in Appendix A to the Agreement. The inspection included a review of Agrium's drug and alcohol program.
- 9 (3) Commission Staff and Agrium have entered into the Agreement as an appropriate resolution of the issues raised by the inspection in Docket PL-070131.
- 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 PL-070131.

CONCLUSIONS OF LAW

- 11 (1) The Commission has jurisdiction under RCW 81.88 to regulate the safety of the hazardous liquid pipeline owned and operated by Agrium U.S. Inc.
- 12 (2) The Agreement entered into between Agrium and Commission Staff represents an appropriate resolution of the issues raised by the inspection in this docket. The Agreement 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 Agrium U.S. Inc. and Commission Staff on June 2, 2008, is approved, and the investigation in this docket is closed.

- (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 June ____, 2008.

**WASHINGTON STATE UTILITIES AND
TRANSPORTATION COMMISSION**

MARK H. SIDRAN, Chairman

PATRICK J. OSHIE, Commissioner

PHILIP B. JONES, Commissioner