

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**NOTICE OF PENALTIES INCURRED AND DUE
FOR VIOLATIONS OF LAWS AND RULES**

**PENALTY ASSESSMENT: DG-171195
PENALTY AMOUNT: \$1,000**

Mark Schober
M2 Industrial, Inc.
180 Hanson Rd.
Ellensburg, WA 98926

The Washington Utilities and Transportation Commission (Commission) believes M2 Industrial, Inc. (M2 Industrial) has violated Revised Code of Washington (RCW) 19.122.030(2) by failing to provide the required notice to a one-number locator service not less than two business days before excavating. RCW 19.122.055(1)(a) states, in part, that any excavator who fails to notify a one-number locator service and causes damage to a underground gas utility is subject to a civil penalty of not more than ten thousand dollars for each violation.

Commission pipeline safety staff (Staff) reviewed damage reports submitted by Puget Sound Energy (PSE) and information obtained from the One Call 811 database and hereby notifies you that the Commission is assessing a penalty against you in the amount of \$1,000 on the following grounds:

On Sept. 15, 2016, M2 Industrial was installing fence posts at 110 Brown Road in Ellensburg, Washington. While excavating, M2 Industrial damaged a Puget Sound Energy (PSE) gas line. The Damage Information Reporting Tool (DIRT) report submitted by PSE on Nov. 9, 2016, indicated that a one-number locator service was not notified prior to excavation. Staff found that M2 Industrial submitted a utility locate request on Sept. 15, 2016, which was the same day the damage incident occurred. M2 Industrial failed to wait the appropriate two business days prior to performing an excavation. Staff sent a technical assistance warning letter to M2 Industrial on Nov. 16, 2016, which included detailed information about the requirements of Washington state's dig law.

On Oct. 20, 2016, M2 Industrial was performing an excavation at 1-499 Gail Road in Ellensburg, Washington. While excavating, M2 Industrial damaged a PSE gas line. The DIRT report submitted by PSE on Oct. 31, 2016, indicated that a one-number locator service was not notified prior to excavation. Staff found that M2 Industrial did not submit a utility locate request prior to excavating.

For a first time offense, Staff typically provides a technical assistance letter to the excavator who allegedly caused damage to underground utilities without first requesting utility locates, as well as recommends any penalty. This letter provides information about Washington State's dig law and when utility locates are required. In this instance, due to the damage incidents occurring so close together, Staff was unable to provide the company with this information prior to the second damage incident. Therefore, Staff recommends

that the Commission treat the first violation as a warning and impose a penalty only for the second subsequent violation.

Accordingly, Staff recommends that M2 Industrial be penalized \$1,000 for one violation of RCW 19.122.030(2), for failing to provide the required notice to a one-number locator service not less than two business days before excavating, which can be deferred on the conditions that (1) M2 Industrial field crew involved in excavation, including company management, attend “Dig Safe” training provided through National Utility Contractors Association (NUCA), within 12 months of the date of this Penalty Assessment; and (2) M2 Industrial commits no further violations of RCW 19.122 within the next 12 months.

The Commission agrees with Staff’s recommendation and assesses a penalty of \$1,000 with an offer to suspend the entire penalty amount on the conditions that (1) M2 Industrial management and all crews complete NUCA Dig Safe Training within 12 months of this Notice, and (2) M2 Industrial has no further violations of RCW 19.122 within one year of this Notice. The Commission will waive the suspended penalty amount of \$1,000 if M2 Industrial complies with both conditions. If M2 Industrial fails to comply with either of these conditions, the \$1,000 deferred penalty will become immediately due and payable, in addition to any new penalties that the Commission might assess for additional violations.

These facts, if not contested or if proved at a hearing and not rebutted or explained, are sufficient to support the penalty assessment.

Your penalty is due and payable now. If you believe any or all of the violations did not occur, you may deny committing the violation(s) and contest the penalty assessment through evidence presented at a hearing or in writing. The Commission will grant a request for hearing only if material issues of law or fact concerning the violation(s) require consideration of evidence and resolution in a hearing. Any contest of the penalty assessment must include a written statement of the reasons supporting that contest. Failure to provide such a statement will result in denial of the contest.

If you admit any or all of the violations but believe there is a reason for the violation(s) that should excuse you from the penalty, you may ask for mitigation (reduction) of this penalty through evidence presented at a hearing or in writing. The Commission will grant a request for hearing only if material issues of law or fact require consideration of evidence and resolution in a hearing. Any request for mitigation must include a written statement of the reasons supporting that request. Failure to provide such a statement will result in denial of the request.

If you properly present your request for a hearing and the Commission grants that request, the Commission will review the evidence supporting your dispute of the violation(s) or application for mitigation in a Brief Adjudicative Proceeding before an administrative law judge. The administrative law judge will consider the evidence and will notify you of his or her decision.

You must act within 15 days after receiving this notice to do one of the following:

- Pay the \$1,000 amount due;
- Notify the Commission that you accept the offer to suspend, and ultimately waive, the entire \$1,000 penalty amount due on condition that all M2 Industrial employees, including management, attend the “Dig Safe” training provided through NUCA within 12-months of this Notice; submit documentation of that attendance to the Commission within five (5) days of attending the training; and commit no further violations of RCW 19.122 within the next year; or
- Request a hearing to contest the occurrence of any or all of the violation(s); or
- Request mitigation to reduce the amount of the penalty.

Please indicate your selection on the enclosed form and send it to the Washington Utilities and Transportation Commission, Post Office Box 47250, Olympia, Washington 98504-7250, **within FIFTEEN (15) days** after you receive this notice.

If you do not act within 15 days, the Commission may refer this matter to the Office of the Attorney General for collection. The Commission may then sue you to collect the penalty.

DATED at Olympia, Washington, and effective January 5, 2018.

GREGORY J. KOPTA
Director, Administrative Law Division

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION
PENALTY ASSESSMENT DG – 171195

PLEASE NOTE: You must complete and sign this document, and send it to the Commission within 15 days after you receive the penalty assessment. Use additional paper if needed.

I have read and understand RCW 9A.72.020 (printed below), which states that making false statements under oath is a class B felony. I am over the age of 18, am competent to testify to the matters set forth below and I have personal knowledge of those matters. I hereby make, under oath, the following statements.

1. **Payment of penalty.** I admit that the violations occurred and enclose \$1,000 in payment of the penalty
2. **Accept conditions.** I accept the Commission’s offer to suspend, and ultimately waive, the entire \$1,000 penalty amount on the conditions that all M2 Industrial employees, including management, attend the “Dig Safe” training provided through NUCA within 12-months of this penalty assessment; submit documentation of that attendance to the Commission within five (5) days of attending the training; and commit no further violations of RCW 19.122 within the next year.
2. **Contest the violations.** I believe that the alleged violations did not occur for the reasons I describe below (**if you do not include reasons supporting your contest here, your request will be denied**):
- a) I ask for a hearing to present evidence on the information I provide above to an administrative law judge for a decision.
- OR b) I ask for a Commission decision based solely on the information I provide above.
3. **Request mitigation.** I admit the violations, but I believe that the penalty should be reduced for the reasons set out below (**if you do not include reasons supporting your application here, your request will be denied**):
- a) I ask for a hearing to present evidence on the information I provide above to an administrative law judge for a decision.
- OR b) I ask for a Commission decision based solely on the information I provide above.

I declare under penalty of perjury under the laws of the State of Washington that the foregoing, including information I have presented on any attachments, is true and correct.

Dated: _____ [Month/Day/Year], at _____ [City, State]

Name of Respondent (company) – please print
RCW 9A.72.020:

Signature of Applicant

“Perjury in the first degree. (1) A person is guilty of perjury in the first degree if in any official proceeding he makes a materially false statement which he knows to be false under an oath required or authorized by law. (2) Knowledge of the materiality of the statement is not an element of this crime, and the actor’s mistaken belief that his statement was not material is not a defense to a prosecution under this section. (3) Perjury in the first degree is a class B felony.”