

**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  
SETTLEMENT AGREEMENT  
AND CLOSING  
INVESTIGATION

- 1 This docket involves an inspection by the Staff of 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.
- 2 Staff conducted an inspection of Agrium's hazardous liquid pipeline on December 17 and 18, 2007. During the inspection Staff also reviewed 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 on February 5, 2008, with a letter of intent to correct the noted violations.
- 3 Agrium and Staff subsequently reached an Agreement to resolve the outstanding issues in this docket. The agreement represents an appropriate way to address these issues, 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, and incorporated by this reference.
- 5 The Agreement 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 by requiring compliance with regulatory requirements governing hazardous liquid pipelines. Therefore, the Commission approves the Agreement and its appendices, and closes the investigation.

**FINDINGS OF FACT**

- 7 (1) Agrium U.S. Inc., operates a 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, and is in the public interest.
- 13 (3) The Commission should approve the Agreement, and close this docket.
- 14 (4) The effective date of the Agreement is the service date of this Order.

**ORDER**

**THE COMMISSION ORDERS:**

- 15 (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. The Agreement and appendices attached to this Order are incorporated by this reference to this Order.

- 16* (2) The Commission retains jurisdiction to effectuate the terms of this Order, including enforcement of the Agreement, if necessary.

The Commissioners, having determined this Order to be consistent with the public interest, directed the Executive Director and Secretary to enter this Order.

DATED at Olympia, Washington, and effective June 12, 2008.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER  
Executive Director and Secretary