



STATE OF WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

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MEMORANDUM

Date: Dec. 7, 2017

To: Greg J. Kopta, Director
Administrative Law Division

From: Sean C. Mayo, Director
Darren Tinnerstet, Investigator
Pipeline Safety Program

Subject: Docket PL-171148, Penalty Assessment recommendation of \$10,000 against SEFNCO Communications, Inc., for violation of RCW 19.122.

I. Background

On Aug. 2, 2017, a contractor for Comcast named SEFNCO Communications, Inc. (SEFNCO) was directional drilling to install a cable line at 9911 Pacific Ave. in Tacoma, WA. While drilling, SEFNCO hit and punctured the six-inch McChord Pipeline that transports jet fuel from the US Oil Refinery (USOR), located in the Tacoma tide flats, to Joint Base Lewis McChord. The result of this incident was approximately 7,500 gallons of leaked jet fuel of which 6,500 gallons was ultimately recovered. SEFNCO also hit and caused minor damage to a 10-inch City of Tacoma water main.

Pipeline Safety Staff arrived on scene approximately one hour after being notified by USOR that the pipeline was hit and leaking jet fuel. Staff was present for the excavation of the damaged section of the pipeline and observed the cleanup efforts. Staff also conducted field interviews with employees from McChord Pipeline, ELM (contract locator for Puget Sound Energy), City of Tacoma Water and SEFNCO.

SEFNCO has a significant history of requesting locates in Washington state. Since Jan. 1, 2017, the company has requested 1,358 utility locates for excavation sites all over the state.

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II. Investigation

Staff's area of concern with this incident was whether SEFNCO properly requested utility locates in accordance with RCW 19.122.030(2), which requires that an excavator must provide the notice required under subsection (1) to a one-number locator service not less than two business days and not more than ten business days before the scheduled date of excavation. Subsection (1) requires that an excavator must mark the boundary of the excavation area in white paint applied on the ground prior to requesting locates.

On July 26, 2017, SEFNCO submitted a locate ticket to One-Call (No. 17284954) for the work they were performing. The locate request provided the address of the excavation site as 9911 Pacific Ave. In the description section it stated:

“PLEASE PLACE LOCATES FROM THE SOUTH SIDE OF BUILDING [9911 Pacific Ave Sound Credit Union] TO POLE AND THEN EAST BOUND DOWN 100TH ST TO POLE ON EASTSIDE OF INTERSECTION OF A ST AND 100TH TO THE POLE.”

Staff's investigation found that SEFNCO only marked a small area in white paint by 9911 Pacific Ave. (Sound Credit Union), where they originally intended to install the new Comcast cable. Even though the locate ticket provided a description that stated the need for locates from the Credit Union to the East side of 100th and A St., staff found that the only area that was marked in white was a small corner by the Credit Union (See Picture 1).



Picture 1

The only locate marks visible along 100th St. (by the Credit Union) were from McChord Pipeline, City of Tacoma Water, PSE, and Parkland Water. As demonstrated below (Picture 2), the location of the white marks and where the utility operators marked is approximately 475 feet from where SEFNCO was directionally drilling when they hit and damaged the McChord Pipeline.

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Picture 2

Staff's investigation revealed that on Aug. 1, 2017, the day prior to the damage incident, SEFNCO changed drilling direction paths to the East towards A Street. Instead of calling in a new locate ticket for the change of drilling direction, SEFNCO contacted ELM directly to have them verify locates in the new work zone. The ELM locator informed SEFNCO that they needed to call in a new utility locate request because of the different work area. The City of Tacoma Water locator was also called directly by SEFNCO and they also informed them that a new utility locate request should be submitted. SEFNCO did not submit a new utility locate request and proceeded to directionally drill east towards A Street, where they ultimately hit the McChord Pipeline on Aug. 2, 2017.

II. Analysis

RCW 19.122.030(2), specifically states that excavators must outline their proposed excavation area in white paint and provide two days' notice to a one-number locator service before beginning work. While SEFNCO did outline a small area in white and request utility locates on July 26, 2017, it was not for the area where the damage incident occurred. The area where SEFNCO hit and punctured the McChord Pipeline was approximately 475 feet away.

Assuming SEFNCO wanted to be in compliance with 19.122.030(2), then they should have marked the additional excavation area in white paint and requested new utility locates for the proposed site. SEFNCO failed to perform this required action, which resulted in the puncturing of the McChord Pipeline and the associated spilling of 7,500 gallons of jet fuel into the surrounding area. SEFNCO also made contact with and caused minor damage to a 10-inch City of Tacoma water main that ultimately ended up needing to be replaced.

Staff relied upon the information provided by McChord Pipeline, City of Tacoma Water, ELM, and SEFNCO for this investigation. The documents for this case include multiple photographs and field notes taken by staff while at the damage site. Staff also took into consideration the following questions in determining the appropriate penalty amount:

1. **How serious or harmful the violation is to the public.**
The incident was very serious and could have been harmful to the public. The incident could have resulted in serious injury to the excavator or the general public.
2. **Whether the violation is intentional.**
The violation for failing to request utility locates prior to excavating appears to be the result of negligence on behalf of the company. SEFNCO was aware they were excavating in a different area than where locates were originally placed and could have prevented the damage incident from occurring if they would have followed the proper procedures for requesting new utility locates.
3. **Whether the company self-reported the violation.**
The company reported the damage incident to USOR as soon as they realized they had hit their hazardous liquid pipeline. The commission became aware of the violation after investigating the incident.
4. **The likelihood of recurrence.**
The likelihood of recurrence depends on SEFNCO's actions going forward. Currently, the company has a positive history of requesting utility locates prior to performing excavations. The company will need to address the shortcomings that led to this damage incident and make the appropriate changes to their procedures to prevent future violations from occurring.
5. **Size of the Company.**
Through a data sharing agreement with the Washington State Department of Revenue, staff determined that SEFNCO reported a gross revenue of \$33,877,773 for 2015, and \$28,903,278 for 2016.

III. Recommendation

RCW 19.122.055(1)(a) authorizes a penalty of not more than \$10,000 for each violation of failing to notify a one-number locator service and causing damage to a hazardous liquid or gas underground facility. Hazardous liquid is defined under RCW 19.122.020(13)(a) as petroleum, petroleum products, or anhydrous ammonia. The McChord Pipeline is classified as a "hazardous liquid" underground facility under this definition.

Staff determined that SEFNCO did commit one violation of 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. Due to the nature of this damage incident, and the increased risk of property damage and bodily harm it placed on the general public, Staff recommends the maximum \$10,000 penalty be enforced to hopefully deter future incidents from occurring.