

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the matter of

INSPECTION OF THE GEORGIA-PACIFIC
CAMAS MILL PIPELINE

DOCKET NO. PG-110017

STIPULATED AGREEMENT TO
CLOSE DOCKET

I. NATURE OF AGREEMENT

1 This Stipulated Agreement to Close Docket (Agreement) is entered into between Georgia-Pacific Consumer Products (Camas) LLC, a Washington limited liability company (GP) and the Staff of the Washington Utilities and Transportation Commission (Commission Staff) (collectively, the Parties) for the purpose of resolving certain issues resulting from a natural gas inspection by Commission Staff of GP's natural gas pipeline serving GP's paper mill in Camas, Washington.

2 This Agreement is subject to review and disposition by the Washington Utilities and Transportation Commission (Commission). This Agreement is effective on the date of the Commission order approving it (unless the Commission establishes a different effective date), and this Agreement is not effective for any purpose until it is approved by the Commission.

3 The Parties understand the process for approval of this Agreement is at the discretion of the Commission. However, the Parties believe the Commission may close this docket under the conditions stated herein by means of taking action on the

consent agenda at an open public meeting, if the Commission desires to do so. The Parties hereby recommend that procedure to the Commission.

II. BACKGROUND

4 GP owns and operates a natural gas pipeline approximately 1.7 miles long, plus related pipeline facilities. The pipeline facilities serve GP's paper mill in Camas, Washington. When this Agreement refers to a pipeline, it refers to this pipeline and the related pipeline facilities. This docket involves the Commission's safety inspection of that pipeline. That inspection included a review of GP's records, operating policies and procedures, and a physical inspection of the pipeline and related facilities.

5 On September 20, 2011, the Commission sent to GP a list of 33 "Probable Violations" of Commission gas pipeline safety rules, and 12 "Areas of Concern". This document is on file in this docket. The list of probable violations regards the GP's operating policies and procedures, and record keeping.

6 GP responded to the List of violations in a series of three letters, dated October 21, 2011, January 18, 2010, and January 27, 2012. These documents are on file in this docket. GP also discussed these items with Commission Staff.

7 The Parties have identified those corrective or other actions taken and to be taken by GP to ensure compliance with gas safety laws and rules. These action items are described in this Agreement and referenced in Appendix A. Consequently, the Parties believe that if the Commission approves this Agreement, this docket can be closed.

III. AGREEMENT

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The Parties have mutually agreed to a means by which this docket can be closed without further action by the Commission beyond its approval of the Parties' Agreement. The Parties agree and stipulate as follows:

1. *GP Admission of Violations.* GP concurs that there were some violations of Commission gas pipeline safety rules regarding GP's operating policies and procedures, and record keeping.
2. *Operations & Maintenance (O&M) Manual Revisions.* GP will complete the update and revision to its O&M Manual, and will ensure revisions to the Manual are distributed to persons responsible for pipeline operations, recordkeeping, and maintenance activities, and that such persons are appropriately trained on the revisions. August 31, 2012 is the deadline for GP to complete the update to its O&M Manual and complete any necessary training.
3. *Compliance/Remedial Action Concerning Commission Inspection Letters.* Appendix A contains a summary list of compliance/remedial action items GP agrees will be complete on or before August 31, 2012, to the extent those items have not previously been addressed.
4. *Weld Procedures.* GP is currently qualifying its API welding procedure, GP Camas-01. GP will provide to Commission Staff the findings and proposed procedure for review and comment by August 31, 2012. GP will not complete a welding activity related to the pipeline pursuant to the API welding procedure prior to the qualification of the welding procedure in accordance with 49 CFR 192, Subpart E.

GP is authorized to perform welding activities pursuant to ASME qualified procedure JR-SM-PIG.

5. *Leak Surveys.* GP will conduct leak surveys on its gas pipe line in accordance with the requirements of WAC 480-93-185, WAC 480-93-186, WAC 480-93-18601, WAC 480-93-187 and WAC 480-93-188, except GP will conduct the leak surveys no less often than quarterly until completion of the in-line inspection and any subsequent evaluations and repairs, as described in the following paragraph. GP will re-qualify all Leak Responders by August 31, 2012.

6. *In-line inspection.* Within five years of the effective date of this Agreement, GP will perform an in-line inspection of the pipeline using a caliper/deformation and Magnetic Flux Leakage tool(s). If necessary to facilitate the use of the in-line inspection tool, GP may increase the pressure of the pipeline above 250 psig, but only after the Commission approves the pressure increase. If GP increases the pipeline pressure above 250 psig, GP will conduct a leak survey after the pressure has been increased, but prior to the in-line inspection run. GP must eliminate each leak discovered prior to the in-line inspection. GP will follow the procedures described in 49 CFR § 192.933 regarding the discovery of anomalous conditions. Within 30 days of receipt of the in-line inspection report, GP will send a copy of the in-line inspection report to the Commission Staff.

7. *Operating Pressure.* As of the date of this Agreement, GP's pipeline has a maximum allowable operating pressure (MAOP) of 250 pounds per square inch gauge.

GP understands that if it wishes to increase this MAOP, it must comply with WAC 480-93-155, and, if applicable, WAC 480-93-020.

8. *Termination.* Upon the completion of all actions referenced in Appendix A, GP will have no further obligations under this Agreement. GP understands that upon such termination, GP remains subject to the requirements of otherwise applicable pipeline safety laws, rules and orders.

IV. GENERAL PROVISIONS

9 *Most stringent requirement applies.* No term of this Agreement is less stringent than the applicable gas pipeline safety laws and rules currently in effect, and some terms are more stringent. If, on or after the date the Commission approves this Agreement, a term of this Agreement is or becomes less stringent than the otherwise applicable pipeline safety laws and rules, GP will comply with the more stringent requirement.

10 *Future enforcement.* Nothing in this Agreement affects the ability of the Commission Staff to seek, in the context of a future inspection of GP's gas pipeline facilities, a Commission enforcement action, if Commission Staff believes GP has violated any term of this Agreement or any applicable pipeline safety laws, rules or orders. Nothing in this Agreement restricts GP from contesting any such Commission enforcement action, except GP will not contest that this Agreement is binding on GP.

11 *Entire agreement; no precedent.* This is the entire agreement of the Parties. It may not be cited as precedent in any proceeding other than a proceeding to

enforce the terms of this Agreement.

12 *Manner of execution.* This Agreement is executed when all Parties sign the Agreement. A designated and authorized representative may sign the Agreement on a Party's behalf. The Parties may execute this Agreement in counterparts. If the Agreement is executed in counterparts, all counterparts shall constitute one agreement. An Agreement signed in counterpart and sent by facsimile is as effective as an original document. A faxed or emailed signature page containing the signature of a Party is acceptable as an original signature page signed by that Party. Each Party shall indicate the date of its signature on the Agreement. The date of execution of the Agreement will be the latest date indicated on the signatures.

13 *Approval process.* Upon execution of this Agreement, Commission Staff will make reasonable efforts to have the matter placed on the next reasonably available Commission open meeting agenda. Commission Staff will timely advise GP of this process so GP may effectively participate. If the Commission decides not to handle this matter at a Commission open public meeting, the Parties agree to support the Agreement during the course of whatever procedures the Commission determines are appropriate.


14 *Commission approval with change.* In the event the Commission approves this Agreement, but with a change, the Parties will have five business days to file a letter with the Commission accepting or rejecting each such change. If, in such a timely filed letter, a Party rejects a change, this Agreement is void and the Parties will jointly and promptly request the Commission convene a prehearing conference to

address procedural matters, including a procedural schedule for completion of the case.

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Publicity. Commission Staff and GP each have the right to review in advance of publication each announcement or news release the other Party intends to issue about this Agreement. This right of advance review includes a reasonable opportunity for the non-issuing Party to request changes to such an announcement. While the issuing Party is not required to make any such requested change, the Parties agree that if a news release or announcement issued by a Party refers to Commission Staff, it shall include a statement that Commission Staff's recommendation to approve this Agreement is not binding on the Commission.

For Commission Staff:

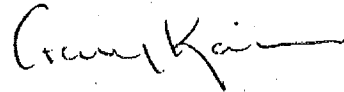


Donald T. Trotter
Assistant Attorney General

Date signed: 7/17/2012

For Georgia-Pacific Consumer Products (Camas) LLC

Gary Kaiser
Vice President



Date signed:

7-10-12