

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

In re Commission Investigations of the
Natural Gas Pipeline System and Drug and
Alcohol Programs of

INLAND EMPIRE PAPER COMPANY

DOCKETS PG-070010 and
PG-072246

ORDER 01

ORDER ACCEPTING
SETTLEMENT AGREEMENT
AND CLOSING
INVESTIGATIONS

- 1* These dockets involve inspections by the Staff of the Utilities and Transportation Commission (Commission) of the natural gas pipeline system owned and operated by Inland Empire Paper Company (IEP) in or near the city of Spokane, Washington, and IEP's drug and alcohol programs.
- 2* In Docket PG-070010, Staff conducted an inspection of IEP's natural gas pipeline in November 2007. Staff sent an Inspection Report to IEP on December 14, 2007, alleging 48 probable violations of Commission statutes and rules, and one area of concern, related to IEP's natural gas pipeline facilities, procedures, policies, and records. IEP responded to the reports with several Letters of Intent to correct the noted violations. These documents have been posted to Docket PG-070010.
- 3* In Docket PG-072246, Staff conducted an inspection of IEP's drug and alcohol programs in December 2007. Staff sent an Inspection Report to IEP on January 29, 2008, alleging 19 probable violations of federal statutes and rules related to drug and alcohol programs. IEP responded to the report with a Letter of Intent on February 28, 2008 and, following discussions, provided Staff with a revised drug and alcohol plan on May 12, 2008. These documents have been posted to Docket PG-072246.
- 4* IEP's responses to the inspections involved investigating, remediating, re-writing policies and procedures, and identifying corrective actions taken by IEP to ensure compliance with the applicable regulations. IEP and Staff subsequently reached an agreement to resolve the outstanding issues in both dockets. The Agreement represents an appropriate way to address these issues, including compliance, as well as a means for IEP to agree to take specific steps to improve its system and practices.

5 On July 23, 2008, Staff and IEP filed an Agreement consisting of: a “Stipulated Agreement to Close Dockets;” and Appendices A, B, C, D, E, F, and G. The Agreement and appendices are attached to this Order, and incorporated by this reference.

6 The Agreement is not effective until approved by the Commission.

7 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 natural gas pipelines. Therefore, the Commission approves the Agreement and its appendices, and closes the investigations.

FINDINGS OF FACT

8 (1) Inland Empire Paper Company owns and operates a natural gas transmission pipeline system in the state of Washington.

9 (2) Commission Staff conducted an inspection of IEP’s natural gas pipeline system in Washington, in Docket PG-070010, which is summarized in Appendix A to the Agreement.

10 (3) Commission Staff conducted an inspection of IEP’s drug and alcohol programs in Washington, in Docket PG-072246, which is summarized in Appendix B to the Agreement.

11 (4) Commission Staff and IEP have entered into the Agreement as an appropriate resolution of the issues raised by the inspections in Dockets PG-070010 and PG-072246.

12 (5) The Commission has reviewed the Agreement and its appendices. The Agreement is an appropriate resolution of the issues raised by the inspections in Dockets PG-070010 and PG-072246.

CONCLUSIONS OF LAW

13 (1) The Commission has jurisdiction under RCW 80.28 to regulate the safety of the gas plant owned and operated by Inland Empire Paper Company.

14 (2) The Agreement entered into between Inland Empire Paper Company and the Commission Staff represents an appropriate resolution of the issues raised by the inspections in these dockets and is in the public interest. The Agreement should be

approved, and these dockets should be closed.

- 15 (3) The effective date of the Agreement is the service date of this Order.

ORDER

THE COMMISSION ORDERS:

- 16 (1) The Agreement filed between Inland Empire Paper Company and Commission Staff on July 23, 2008, is approved, and the investigations in these dockets are closed. The Agreement and appendices attached to this Order are incorporated by this reference to this Order.
- 17 (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 July 31, 2008.

**WASHINGTON STATE UTILITIES AND
TRANSPORTATION COMMISSION**

MARK H. SIDRAN, Chairman

PATRICK J. OSHIE, Commissioner

PHILIP B. JONES, Commissioner