



STATE OF WASHINGTON  
**UTILITIES AND TRANSPORTATION COMMISSION**  
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March 22, 2017

*Sent via Email and First Class Mail*

Brent Snow  
General Manager  
New RH, L.L.C.  
P.O. Box 4001  
9323 Roche Harbor Rd  
Roche Harbor, WA 98250-4001  
bsnow@rocheharbor.com

Dear Mr. Snow:

**RE: 2017 Liquefied Propane Gas Jurisdictional Investigation**

This letter is in follow-up to our teleconference on Tuesday, March 21.

As we discussed, a representative of the Washington Utilities and Transportation Commission (UTC) visited the Roche Harbor Propane liquefied propane gas system located at 9323 Roche Harbor Road on Thursday, February 16.

Based on this visit, staff found the Roche Harbor Propane system is jurisdictional to UTC pipeline safety regulation. This determination is based on the requirements under both the federal code of regulations (49 CFR Part 192) and Washington state law (RCW 81.88).

Under the Code of Federal Regulations (49 CFR 192.1), any propane distribution system that serves 10 or more customers is subject to the safety requirements of 49 CFR Part 192. Under Washington statute RCW 81.88.010(3), Roche Harbor Propane is a gas pipeline. Given either of these definitions, this system falls within the pipeline safety jurisdiction of the UTC.

Pipeline safety staff are available to meet with Roche Harbor representatives to outline the specific responsibilities as a pipeline operator as well as any immediate steps necessary to ensure the integrity of the system. Under the provisions of federal and state pipeline safety regulations, the responsibilities as an operator are substantial.

Outlined below are a few of the requirements:

- A documented pressure test of the pipeline system in compliance with federal code.
- Pipeline materials used and joining of pipes must be in compliance with federal code.
- Pipeline systems must be periodically leak surveyed and crucial valves operated.
- Preparation of an integrity management program and continued management of said program
- All personnel responsible for construction and maintenance activity must be appropriately trained and qualified.

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- The operator must be a member of the state's one-call (811) system
- All steel pipelines and appurtenances must be protected against corrosion and routinely inspected.
- All records of construction and maintenance must be maintained and subject to inspection
- Periodic inspections by UTC staff

As noted in our discussion on March 21, a critical element in a safety evaluation are the records of installation illustrating pipe materials utilized and construction procedures. We understand that Roche Harbor does not have such documentation. UTC staff will contact the system installer to see if such documentation is available. If those records are not available, the UTC will require additional system testing to determine the pipeline's overall integrity.

All pipeline operators are subject to annual pipeline safety fees. These fees are based on the staff time devoted to each system by the pipeline safety program. Fees are assessed each July and due quarterly. Further, all pipeline operators are subject to monetary penalties if they are found to have violated federal or state pipeline safety requirements. Violation of these statutes and regulations will subject the operator to potential penalties up to \$200,000 per violation (per day) up to a maximum of \$2,000,000 for a related series of violations.

Pipeline safety staff are available to provide Roche Harbor with technical assistance along with a detailed system evaluation. We can also provide a list of consultants qualified to assist in complying with pipeline safety regulations.

Until UTC staff can validate the integrity of the Roche Harbor Propane distribution system, you are strongly cautioned against any further pipeline system expansion. This integrity assessment may require a pressure test of the system.

If Roche Harbor wishes to challenge the UTC safety jurisdiction of this pipeline system, we will request that the commission proceed with a classification proceeding under [RCW 81.04.510](#) (statute attached) asserting jurisdiction as discussed above. Roche Harbor may also seek a declaratory order from the commission disclaiming jurisdiction under RCW 34.05.240.

Please contact Joe Subsits, Chief Pipeline Safety Engineer (360) 664-1322 or [jsubsits@utc.wa.gov](mailto:jsubsits@utc.wa.gov) in order to schedule a technical assistance visit. Please contact me directly with any questions at (360) 664-1219 or [arathbun@utc.wa.gov](mailto:arathbun@utc.wa.gov).

Sincerely,



Alan E. Rathbun  
Pipeline Safety Director

cc: Richard Finnigan

Enclosure

## **RCW 81.04.510**

### **Engaging in business or operating without approval or authority—Procedure.**

Whether or not any person or corporation is conducting business requiring operating authority, or has performed or is performing any act requiring approval of the commission without securing such approval, shall be a question of fact to be determined by the commission. Whenever the commission believes that any person or corporation is engaged in operations without the necessary approval or authority required by any provision of this title, it may institute a special proceeding requiring such person or corporation to appear before the commission at a location convenient for witnesses and the production of evidence and bring with him or her or it books, records, accounts, and other memoranda, and give testimony under oath as to his or her or its operations or acts, and the burden shall rest upon such person or corporation of proving that his or her or its operations or acts are not subject to the provisions of this chapter. The commission may consider any and all facts that may indicate the true nature and extent of the operations or acts and may subpoena such witnesses and documents as it deems necessary.

After having made the investigation herein described, the commission is authorized and directed to issue the necessary order or orders declaring the operations or acts to be subject to, or not subject to, the provisions of this title. In the event the operations or acts are found to be subject to the provisions of this title, the commission is authorized and directed to issue cease and desist orders to all parties involved in the operations or acts.

In proceedings under this section, no person or corporation shall be excused from testifying or from producing any book, waybill, document, paper, or account before the commission when ordered to do so, on the ground that the testimony or evidence, book, waybill, document, paper, or account required of him or her or it may tend to incriminate him or her or it or subject him or her or it to penalty or forfeiture; but no person or corporation shall be prosecuted, punished, or subjected to any penalty or forfeiture for or on account of any account, transaction, matter, or thing concerning which he or she or it shall under oath have testified or produced documentary evidence in proceedings under this section: PROVIDED, That no person so testifying shall be exempt from prosecution or punishment for any perjury committed by him or her in his or her testimony.

[ 2013 c 23 § 292; 1973 c 115 § 15.]