



STATE OF WASHINGTON

## UTILITIES AND TRANSPORTATION COMMISSION

1300 S. Evergreen Park Dr. S.W., P.O. Box 47250 • Olympia, Washington 98504-7250

(360) 664-1160 • TTY (360) 586-8203

*Sent via email and Electronic Return Receipt*

December 18, 2017

Ken Christensen  
Development Manager  
Snug Harbor Resort  
1997 Mitchell Bay Road  
Friday Harbor, WA 98250  
[ken@snugresort.com](mailto:ken@snugresort.com)

**RE: 2017 Liquefied Petroleum Gas Jurisdictional Investigation - Snug Harbor Resort  
(Insp. No. 7488)**

Dear Mr. Christensen:

A representative of the Washington Utilities and Transportation Commission (UTC) visited the Snug Harbor Resort (Snug Harbor) liquefied petroleum gas system (LPG) located at 1977 Mitchell Bay Road in Friday Harbor on July 13, 2017.

Based on this visit, staff found the Snug Harbor system is jurisdictional to UTC pipeline safety regulation. This determination is based on the requirements under both the Code of Federal Regulations and Washington state law [RCW 81.88](#).

Under the Code of Federal Regulations [49 CFR 192.1](#), any propane distribution system that serves:

- More than one structure in a public place from a single source;
- Serves 10 or more structures or persons;
- Or, utilizes a propane tank larger than 4,000 gallons;

Is subject to the safety requirements of [49 CFR Part 192](#). Under Washington statute [RCW 81.88.010\(3\)](#), the Snug Harbor LPG system is a gas pipeline. Given either of these definitions, this system falls within the pipeline safety jurisdiction of the UTC.

Pipeline safety staff (staff) are available to meet with Snug 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.

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- All personnel responsible for construction and maintenance activity must be appropriately trained and qualified.
- 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.

A critical element in a safety evaluation are the records of installation illustrating pipe materials utilized and construction procedures. 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.

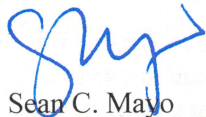
Staff will be contacting you to schedule a technical assistance inspection, including a detailed system evaluation. We can also provide a list of consultants qualified to assist in complying with pipeline safety regulations.

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

If Snug 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. Snug Harbor may also seek a declaratory order from the commission disclaiming jurisdiction under [RCW 34.05.240](#).

If you have any questions in the meantime, please contact Anthony Dorrough, Pipeline Safety Engineer at (360) 664-1318 or [anthony.dorrough@utc.wa.gov](mailto:anthony.dorrough@utc.wa.gov). If you have any questions regarding regulatory inspection fees, please contact Deborah Becker, Operations Manager at (360) 664-1205 or [deborah.becker@utc.wa.gov](mailto:deborah.becker@utc.wa.gov).

Sincerely,



Sean C. Mayo  
Pipeline Safety Director

Enclosures