



STATE OF WASHINGTON

UTILITIES AND TRANSPORTATION COMMISSION

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Sent Via Email and Certified Mail

July 31, 2017

Mark McKellar
President
J.R. Simplot Company
6360 South Federal Way
Boise, ID 83716-9617

Dear Mr. McKellar:

RE: 2017 Biogas Standard Inspection – J.R. Simplot Company – (Insp. No. 7242)

Staff from the Washington Utilities and Transportation Commission (staff) conducted a Standard Inspection on June 27, of J.R. Simplot Company (J.R. Simplot). The inspection included a records review and inspection of the pipeline facilities. Our inspection indicates three probable violations as noted in the enclosed report.

Your response needed

Please review the attached report and respond in writing by Sept. 1. The response should include how and when you plan to bring the probable violations into full compliance.

What happens after you respond to this letter?

The attached report presents staff's decision on probable violations and does not constitute a finding of violation by the commission at this time.

After you respond in writing to this letter, there are several possible actions the commission, in its discretion, may take with respect to this matter. For example, the commission may:

- Issue an administrative penalty under RCW 81.04.405; or


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- Issue a complaint under RCW 81.88.040, seeking monetary penalties, changes in the company's practices, or other relief authorized by law, and justified by the circumstances. Any pipeline company that violates any pipeline safety provision of any commission order, or any rule in this chapter including those rules adopted by reference, or chapter 81.88 RCW is subject to a civil penalty not to exceed two hundred thousand dollars for each violation for each day that the violation persists. The maximum civil penalty for a related series of violations is two million dollars; or
- Consider the matter resolved without further commission action.

We have not yet decided whether to pursue a penalty or complaint in this matter. Should the commission decide to assess a penalty or initiate a complaint, your company will have an opportunity to respond and formally present its position.

If you have any questions or if we may be of any assistance, please contact Derek Norwood at (360) 664-1296. Please refer to the subject matter described above in any future correspondence pertaining to this inspection.

Sincerely,



Sean C. Mayo
Pipeline Safety Director

cc: Lance Carter, Environmental Manager, J.R. Simplot Company
Mark Knight, Manufacturing Manager, J.R. Simplot Company
Robert L. Cosentino, Principal Consultant, Cosentino Consulting

UTILITIES AND TRANSPORTATION COMMISSION
2017 Biogas Standard Pipeline Safety Inspection
J.R. Simplot Company

The following probable violations of Title 49 CFR Part 192 and WAC 480-93 were noted as a result of the 2017 inspection of the J.R. Simplot Company. The inspection included a random selection of records, operation and maintenance (O&M), emergency response, inventory, and field inspection of the pipeline facilities.

PROBABLE VIOLATIONS

1. **49 CFR §192.807 Recordkeeping.**

*Each operator shall maintain records that demonstrate compliance with this subpart.
(b) Records supporting an individual's current qualification shall be maintained while the individual is performing the covered task.*

Finding:

While at the J.R. Simplot office, staff reviewed valve inspection records and operator qualification records. The valve inspection performed on September 30, 2016 was performed by Andy Erickson. Andy Erickson's operator qualifications were valid from March 26, 2012 to March 26, 2015. Andy Erickson was not re-qualified prior to performing the inspection, therefore, J.R. Simplot did not have records supporting an individual's qualification while the individual was performing the covered task.

2. **WAC 480-93-015 Odorization of gas.**

(1) Each gas pipeline company must odorize the gas in its pipeline at a concentration in air of at least one-fifth of the lower explosive limit, so that the gas is readily detectable by a person with a normal sense of smell.

(2) Each gas pipeline company must use an odorant testing instrument when conducting sniff tests. Sniff tests must be performed at least once monthly.

Finding:

While staff was on site, J.R. Simplot was unable to provide records that the biogas was odorized at a concentration in air of at least one-fifth of the lower explosive limit and that monthly sniff tests had been performed.

J.R. Simplot's reasoning was that the biogas has a natural odor and is readily detectable. Staff does not dispute whether the gas has an odor but whether the odor is readily detectable at a concentration in air of at least one-fifth of the lower explosive limit. Since monthly sniff tests are not performed, it is unknown at what concentration the gas becomes detectable by a person with a normal sense of smell.

3. **WAC 480-93-180 Plans and procedures.**

(1) Each gas pipeline company must have and follow a gas pipeline plan and procedure manual (manual) for operation, maintenance, inspection, and emergency response activities that is specific to the gas pipeline company's system. The manual must include plans and procedures for meeting all applicable requirements of 49 C.F.R. § 191, 192 and chapter 480-93 WAC, and any plans or procedures used by a gas pipeline company's associated contractors.

Finding:

During the records review and field inspection, J.R. Simplot indicated that they do not perform odorant checks to verify that the gas is detectable at a concentration in air of at least one-fifth of the lower explosive limit. Staff also reviewed J.R. Simplot's operation and maintenance manual and was unable to find a procedure related to odorization of gas. For these reasons staff believes that J.R. Simplot does not have a procedure for meeting the requirements of WAC 480-93-015 and is in violation of WAC 480-93-180.