



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 Mail*

May 3, 2018

Booga K. Gilbertson  
Sr. VP Operations  
Puget Sound Energy  
10885 NE 4<sup>th</sup> Street  
PSE11N  
Bellevue, WA 98004

Dear Ms Gilbertson:

**RE: 2018 Propane Peak Shaving Plant Standard Inspection – SWARR Propane/Air Peak Shaving Plant – (Insp. No. 7565)**

Staff from the Washington Utilities and Transportation Commission (staff) conducted a standard inspection of Puget Sound Energy's (PSE) SWARR Propane-Air Peak Shaving Plant from April 16 to April 18, 2018. This inspection included a records review and inspection of the pipeline facilities.

Our inspection indicates four probable violations as noted in the enclosed report.

**Your response needed**

Please review the attached report and respond in writing by June 4, 2018. 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

- 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 Dennis Ritter at (360) 664-1159. Please refer to the subject matter described above in any future correspondence pertaining to this inspection.

Sincerely,



Sean C. Mayo  
Pipeline Safety Director

Enclosure

cc: Cara Peterman, Director, Enterprise Risk Management & Compliance  
Harry Shapiro, Director, Gas Operations  
Cheryl, McGrath, Manager, Compliance Programs

**UTILITIES AND TRANSPORTATION COMMISSION**  
**2018 Propane Peak Shaving Pipeline Safety Inspection**  
**Puget Sound Energy-SWARR Propane/Air Plant**

The following probable violations of Title 49 CFR Part 192 were noted as a result of the 2018 inspection of the PSE SWARR Propane-Air Plant. The inspection included a random selection of operation and maintenance (O&M) and emergency response records. Additionally, a field inspection of the regulated facilities was conducted.

**PROBABLE VIOLATIONS**

**1. 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.

**PSE Swarr Propane-Air Plant Operations & Maintenance Manual**

***31. Equipment Maintenance Procedures***

***31.1 Fire Protection Equipment***

*These procedures outline the requirements for the inspection, testing, and maintenance of fire protection equipment and systems.*

***31.1.1 General Requirements***

*31.1.1.1 Maintain fire protection equipment in operational condition at all times.*

**Finding(s):**

During the records review of required semi-annual fire protection equipment testing, records were found indicating non-working infrared hydrocarbon gas detectors.

- (a) GD#13 Node 27, was first noted as not working during the routine inspection of 9/28/2015. The records indicated that two "Unscheduled Work Orders" were initiated to repair or replace the defective unit one of which is still "active". As of the last date of this inspection, it was still non-functional. PSE's O&M manual clearly states this equipment shall be in "**operational condition at all times.**" We would expect PSE to repair such a deficiency as quickly as possible given the zero tolerance your manual requires for fire safety related equipment at a propane plant in a Class 3 area.
- (b) **Three** other non-working infrared hydrocarbon gas detectors from the 12/29/2017 routine inspection were also noted: GD#3 Node 9, GD#6 Node 12, GD#10 Node 20. Each of these also has a separate unscheduled work order associated with it which is "active." PSE plant staff indicated "active" meant it has not been completed. These three detectors have been in non-working status for over three and one half months.

Staff noted during the inspection that “unscheduled work orders” do not get placed in database or other computerized work order system (like SAP), but rather are paper based and literally sit on someone’s desk (it was not clear who’s desk during the inspection). There does not appear to be a reliable tracking system for these work orders. This may have contributed to the reason a critical piece of fire protection equipment was not functioning for over two and a half years in the case of GD#13 Node 27. This is not an acceptable work practice especially for safety related equipment.