

Valley View Motel
c/o Estate of Walter A. Moa (Sr.)
dba Valley View Motel
162 State Route 20
Port Townsend, Washington 98368

July 26, 2018

Sent via: Email and regular U.S. mail.

Utilities and Transport Commission, State of Washington
1300 S. Evergreen Park Dr. S.W., P.O. Box 47250
Olympia WA 98504-7250

Attention: Mr. Anthony Dorrough @ ((360) 664-1318

Regarding: 2018 Liquefied Propane Gas System Evaluation and Technical Assistance Inspection
of propane system at Valley View Motel (Insp. No. 7701).

Dear Mr. Dorrough:

Further to your Survey of March 19, 2018 and your letter of June 26, 2018, we have thoroughly investigated our options in owning and operating a propane system in compliance with UTC regulations. We now understand the liability of owning and operation a UTC regulated propane system. Since we had the system installed by Paradise Propane in approximately 1986, we have tried to maintain, to the best of our knowledge, a safe and well-run system. In spite of this, we now realize that we were unaware of many facets that we should have known.

We have concluded that we have the following financially feasible options to maintain our energy source for the motel:

- 1) Since maintaining compliance with the UTC by using our own forces would be financially and technically unfeasible, this option would not be possible for such a small enterprise; we don't utilize more than 4,000 gallons of propane per year.
- 2) If possible, we could work with a propane distribution company that offers propane distribution management services. In this light, we have contacted two firms, Mountain Propane and Sunshine Propane that have suggested that they may be willing to offer this service. They will be assessing our situation and will giving us answers by the end of September 2018.
- 3) We could conceivably abandon our system and place smaller propane tanks behind each of our units to supply our energy needs. This would be more expensive and certainly complex to maintain than our current nicely operating system.
- 4) We could conceivably abandon our system and replace our energy needs with electricity. This would be a costly capital upgrade and electrical rates in Jefferson County are steadily going up so for a small rural business this is also nearly prohibitive.

To address the regulatory, reporting, procedural, qualifications, service, public awareness programs, testing, monitoring, surveys, damage prevention, emergency planning, failure investigation planning and system patrolling as set forth in Item No. 1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22 and 23, we would definitely a firm (paragraph 2 above) with the expertise and financial strength to handle all the requirements of the UTC. A smaller firm like ours would never have these strengths.

If we were to successfully obtain a firm that would provide distribution management services, we would be pleased to address Item No. 9 as it pertains External Corrosion Control. To be proactive, we would see that new plastic supply lines are installed along with any cathodic protection required. This would include replacing any regulator or pressure relief valve that need replacement as referred to in Item No. 24.

To address Item No. 25, we will see that all combustible materials are moved to more than ten feet from our propane tank.

At this point, we wish to thank you for all the assistance that you have given us to bring this UTC regulated system into compliance for the safety of all concerned. Propane heat is the best option for us but the economics of our situation is an important factor.

Yours truly,

Estate of Walter A. Moe (Sr.)



per: Walter A. Moe Jr.

Personal Representative

(360) 385-1968 (farm house)

(800) 567-8828 (toll free)

(604) 787-2898 (cell)

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c/o Estate of Walter A. Moe (Sr.)
dba Valley View Motel
162 State Route 20
Port Townsend, Washington 98368

RECEIVED
State of Washington
OCT 31 2018
UTC
Pipeline Safety Program

October 26, 2018

Sent via: Email and regular U.S. mail.

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

Attention: Mr. Anthony Dorrough @ ((360) 664-1318

Regarding: 2018 Liquefied Propane Gas System Evaluation and Technical Assistance Inspection
of propane system at Valley View Motel (Insp. No. 7701).

Dear Mr. Dorrough:

Further to my letter to you of July 26, 2018, we have continued to investigate the options available to us to continue utilizing propane or other heating alternatives.

We have concluded that we have the following financially feasible options to maintain our energy source for the motel:

- 1) We have discussions with Amerigas (Mountain Propane) toward assisting to manage our system. We intend to execute an agreement with them as this seems to be the logical and practical answer for our system.
- 2) In the alternative, we could conceivably abandon our system and place smaller propane tanks behind each of our units to supply our energy needs. Although we would still work with Amerigas, this would be more expensive and certainly more complex to maintain than our current nicely operating system.
- 3) We could conceivably abandon our system and replace our energy needs with electricity. This would be a costly capital upgrade and as electrical rates in Jefferson County are steadily going up, this is also nearly prohibitive.

To lessen the regulatory burden for all, we believe there is a regulator exemption available to us under paragraph 192.1 of the Federal Regulations as follows:

192.1 (b) This part does not apply to ----

192.1 (b) (5) Any pipeline system that transports only petroleum gas or petroleum gas/air mixtures to ---

192.1 (b) (5) (ii) A single customer , if the system is located entirely on the customer's premises (no matter if a portion of the system is located in a public place).

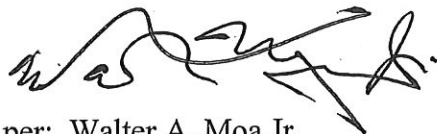
Our system should qualify as it is owned by a single party and is located entirely on a parcel of land owned by us. This applies whether a portion of the system is located in a public place.

Utilization of this exemption would certainly ease our regulatory burden and therefore overall cost of operation. We do intend to work with Amerigas (Mountain Propane) to do the necessary upgrades to continue to keep the system safe as we have always tried to do.

At this point, we wish to thank you for all the assistance that you have given us to help bring this system into compliance for the safety of all concerned. Propane heat is the preferred option for us; but, the economics of our situation is an important factor.

Yours truly,

Estate of Walter A. Moa (Sr.)



per: Walter A. Moa Jr.

Personal Representative

(360) 385-1968 (farm house)

(800) 567-8828 (toll free)

(604) 787-2898 (cell)

cc: Mr. John Jacobs, District General Manager @ (360) 385-6883
Amerigas (Mountain Propane)
266 Chimacum Road, Port Hadlock, WA 98339

ELECTRONIC CODE OF FEDERAL REGULATIONS

e-CFR data is current as of August 23, 2018

Title 49 → Subtitle B → Chapter I → Subchapter D → Part 192 → Subpart A → §192.1

Title 49: Transportation
PART 192—TRANSPORTATION OF NATURAL AND OTHER GAS BY PIPELINE: MINIMUM FEDERAL SAFETY STANDARDS
Subpart A—General

§192.1 What is the scope of this part?

(a) This part prescribes minimum safety requirements for pipeline facilities and the transportation of gas, including pipeline facilities and the transportation of gas within the limits of the outer continental shelf as that term is defined in the Outer Continental Shelf Lands Act (43 U.S.C. 1331).

(b) This part does not apply to—

(1) Offshore gathering of gas in State waters upstream from the outlet flange of each facility where hydrocarbons are produced or where produced hydrocarbons are first separated, dehydrated, or otherwise processed, whichever facility is farther downstream;

(2) Pipelines on the Outer Continental Shelf (OCS) that are producer-operated and cross into State waters without first connecting to a transporting operator's facility on the OCS, upstream (generally seaward) of the last valve on the last production facility on the OCS. Safety equipment protecting PHMSA-regulated pipeline segments is not excluded. Producing operators for those pipeline segments upstream of the last valve of the last production facility on the OCS may petition the Administrator, or designee, for approval to operate under PHMSA regulations governing pipeline design, construction, operation, and maintenance under 49 CFR 190.9;

(3) Pipelines on the Outer Continental Shelf upstream of the point at which operating responsibility transfers from a producing operator to a transporting operator;

(4) Onshore gathering of gas—

(i) Through a pipeline that operates at less than 0 psig (0 kPa);

(ii) Through a pipeline that is not a regulated onshore gathering line (as determined in §192.8); and

(iii) Within inlets of the Gulf of Mexico, except for the requirements in §192.612; or

(5) Any pipeline system that transports only petroleum gas or petroleum gas/air mixtures to—

(i) Fewer than 10 customers, if no portion of the system is located in a public place; or

(ii) A single customer, if the system is located entirely on the customer's premises (no matter if a portion of the system is located in a public place).

[35 FR 13257, Aug. 19, 1970, as amended by Amdt. 192-27, 41 FR 34605, Aug. 16, 1976; Amdt. 192-67, 56 FR 63771, Dec. 5, 1991; Amdt. 192-78, 61 FR 28782, June 6, 1996; Amdt. 192-81, 62 FR 61695, Nov. 19, 1997; Amdt. 192-92, 68 FR 46112, Aug. 5, 2003; 70 FR 11139, Mar. 8, 2005; Amdt. 192-102, 71 FR 13301, Mar. 15, 2006; Amdt. 192-103, 72 FR 4656, Feb. 1, 2007]

Need assistance?

CFR 49.B.1.D.192.A. §192.1