

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of

PUGET SOUND ENERGY'S

2019 Pipe Replacement Program Plan

DOCKET PG-190462

ORDER 01

APPROVING PUGET SOUND  
ENERGY'S 2019 PIPE REPLACEMENT  
PROGRAM PLAN

**BACKGROUND**

- 1 On December 31, 2012, the Washington Utilities and Transportation Commission (Commission) issued its Policy on Accelerated Replacement of Pipeline Facilities with Elevated Risk (Policy Statement).<sup>1</sup> As required by the Policy Statement, each investor-owned gas pipeline utility company filed a Master Plan for replacing pipe that represents an elevated risk of failure in 2013.
- 2 The Policy Statement also requires each investor-owned gas pipeline utility company to file a pipeline replacement plan (PRP) every two years for replacing pipe that represents an elevated risk of failure, beginning June 1, 2013.<sup>2</sup> Each company's plan must include the following:<sup>3</sup>
- 1) A Master Plan for replacing all facilities with an elevated risk of failure;
  - 2) A Two-Year Plan that specifically identifies the pipe replacement program goals for the upcoming two year period; and, if applicable,
  - 3) A Pipe Location Plan for identifying the location of pipe or facilities that present an elevated risk of failure.

Each Plan must also: (1) target pipe or facilities that pose an elevated risk of failure; (2) be a measured and reasonable response in relation to the elevated risk without unduly

---

<sup>1</sup> Docket UG-120715 (December 31, 2012).

<sup>2</sup> *Id.* ¶ 43. Subsequent PRP filings should be filed by June 1 every two years thereafter (*i.e.*, June 1, 2015, 2017, 2019, etc.).

<sup>3</sup> *Id.* ¶ 42.

burdening ratepayers; and (3) be in the public interest.<sup>4</sup> Finally, each Plan should contain a section analyzing its impact on rates.<sup>5</sup> Companies seeking to recover costs must simultaneously file a proposed Cost Recovery Mechanism (CRM) with their Plan.

3 On May 31, 2019, Puget Sound Energy (PSE or Company) filed with the Commission an  
“Updated Pipeline Replacement Plan” for 2019 (2019 Two-Year Plan).

4 Consistent with the Commission’s policy statement, PSE also submitted information for a  
CRM with its 2019 Two-Year Plan. Regulatory Services Staff will present the CRM in a  
separate filing.

5 PSE’s plan contains a Master Plan, a Two-Year Plan, and a Pipe Identification (Location)  
Plan for each of the components in the replacement program.

6 PSE’s plan indicates that the following types of pipe with an elevated risk of failure are  
present within its natural gas service area: DuPont Aldyl “HD” Plastic Pipe (DuPont  
pipe), Buried Meters, and Sewer Cross Bores.

7 PSE implemented a Pipe Identification Plan in 2013. This plan is designed to locate older  
Aldyl “HD” (Aldyl) polyethylene pipe. This pipe is prone to “brittle-like cracking” due to  
slow crack growth (SCG) and failure, resulting from secondary loads such as rock  
impingement or squeeze-off.<sup>6</sup> In its 2019 Plan, PSE plans to replace approximately 245  
miles of larger diameter DuPont Aldyl “HD” plastic pipe within the first 10 years of the  
20-year plan beginning in 2013. The pipe replacement in the first 10 years targets the  
population with a history of brittle-like cracking and fusion failures. By 2022, PSE will  
review the Master Plan to determine the appropriate replacement schedule for the  
remaining pipe in service.

8 Buried meters are determined through annual leak surveys and continuing surveillance.  
The current list shows approximately 40,000 buried meters in PSE’s system, with 5,000  
new reports each year.

9 Sewer cross bores are identified through the use of PSE’s public awareness program; a  
service provider is dispatched to perform physical inspections of post-construction sewer  
inspections near new gas trenchless installations and sewers near legacy gas trenchless

---

<sup>4</sup> *Id.* ¶¶ 44-56.

<sup>5</sup> *Id.* ¶ 55.

<sup>6</sup> PE pipe is designed to be squeezed shut with a mechanical device during operations, maintenance and emergency response.

installations. The awareness program directs plumbers, other utility contractors, municipalities, and customers to call PSE before clearing a blocked sewer. PSE has identified 8,500 sewer cross bore locations with a high consequence and 51,500 with lower consequence.

- 10 Commission staff (Staff) determines that the 2019 Two-Year Plan, analyzed in conjunction with PSE's Distribution Integrity Management Plan (DIMP), is measured, and that its continuation is a reasonable response in relation to the elevated risks identified. PSE's plan adequately addresses facilities with an elevated risk of failure. Staff has previously audited PSE's DIMP and found that it addresses known threats and implements accelerated actions that adequately address those threats.
- 11 Staff recommends that the Commission approve PSE's 2019-2021 Two-Year Plan filed on May 31, 2019.

### DISCUSSION

- 12 The Commission agrees with Staff's recommendation and approves PSE's 2019 Two-Year Plan. We find that the Company's 2019 Two-Year Plan is consistent with our Policy Statement.

### FINDINGS AND CONCLUSIONS

- 13 (1) The Commission is an agency of the state of Washington vested by statute with the authority to regulate the rates, rules, regulations, and practices of public service companies, including natural gas companies.
- 14 (2) Puget Sound Energy is a natural gas company and a public service company subject to Commission jurisdiction.
- 15 (3) Puget Sound Energy filed its 2019 Two-Year Plan with the Commission on May 31, 2017.
- 16 (4) Puget Sound Energy's 2019 Two-Year Plan is a reasonable and measured approach to replacing pipeline facilities with an elevated risk of failure.

**ORDER**

**THE COMMISSION ORDERS:**

- 17 (1) Puget Sound Energy's 2019 Two-Year Plan is approved.
- 18 (2) Puget Sound Energy should file an updated Pipeline Replacement Program Plan for 2021-2023 no later than June 1, 2021.

The Commissioners, having determined this Order to be consistent with the public interest, directed the Secretary to enter this Order.

DATED at Lacey, Washington, and effective September 26, 2019.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARK L. JOHNSON  
Executive Director and Secretary