Agenda Date: July 28, 2011

Item Number: A2

Docket: PG-111037

Company Name: Puget Sound Energy

Staff: Scott Rukke, Pipeline Safety Engineer

Recommendation

Issue an order granting PSE's request to operate a pipeline at pressures up to 500 pounds per square inch gauge (psig) subject to the conditions recommended by staff.

Background

Puget Sound Energy (PSE) provides natural gas service to the Chehalis Washington area from existing 8-inch and 4-inch high pressure pipelines fed from the N. Chehalis Town Border Station on Coal Creek Rd and National Ave. Currently, a 4-inch high pressure pipeline, tied into an 8-inch high pressure pipeline is fed from this Regulator Station and extends southeast down Coal Creek Rd providing natural gas service to a portion of the Chehalis area. The 4-inch pipeline has reached its capacity to adequately supply the gas needs of the Chehalis area.

On June 6, 2011, PSE requested approval to construct 4,600-feet of 8-inch high pressure pipeline to replace a similar length of existing 4-inch high pressure pipeline on Coal Creek Road in Chehalis, Washington. The proposed pipeline will be installed partially on Coal Creek Road and partially on dedicated easements away from the right-of-way.

PSE hired a geotechnical and environmental consultant to evaluate several alternative routes for this proposed 8-inch high pressure pipeline. The proposed route and installation method of horizontal directional drilling (HDD) were chosen to minimize the potential for human and environmental impact. PSE's chosen route avoids area wetlands, a stream and treed portions of the right of way and the installation of portions of the pipeline by HDD minimizes road closures, traffic interruptions and the impact of open trenching and cleanup.

Discussion

A gas pipeline company must have permission from the Commission to operate a pipeline at greater than 250 psig, up to and including 500 psig, within one hundred feet of certain buildings described in WAC 480-93-020. The Commission has adopted the Code of Federal Regulation, Title 49, Part 192 and 480-93 of the Washington Administrative Code as minimum standards for natural gas pipeline construction.

The proposed pipeline will tie into an existing 8-inch pipeline operating at 280 psig, run southeast approximately 4,600 feet through portions of the right-of-way of Coal Creek Rd and partially through dedicated easements away from the right-of-way. It will be installed within 100-feet of 8 structures. PSE will radiograph 100 percent of all girth welds unless impractical, in

Docket PG-111037 July 28, 2011 Page 2

which case at least 90% of welds will be radiographed. The pipeline will be tested to a minimum of one and one-half times the MAOP.

The most restrictive natural gas pipeline safety rules specify that pipelines in a highly populated area (Class 4 Location) be operated at pressures producing a hoop stress of no greater than 40 percent of the specified minimum yield strength (SMYS) of the pipe. PSE's proposed pipeline route is in a class 2 location that would allow a pipeline to operate up to 60 percent of the SMYS of the pipeline. PSE has elected to use a factor of 20 percent of the SMYS as a design factor which is 50 percent more stringent than the most restrictive class 4 factor. The pipeline segment will be designed and constructed for a maximum allowable operating pressure (MAOP) of 300 psig, resulting in a hoop stress of 8.9 percent of SMYS at the requested operating pressure of 280 psig. This is less than 15 percent of the SMYS allowed for a Class 2 Location.

Customer Comments

While there is no rule requirement for public notification of requests to increase pipeline pressure, PSE provides notification to the identified property owners in advance of any scheduled open hearing. The commission received one customer comment on this filing. Consumer Protection staff advised the customer that he may access company documents about this Proximity Request at www.utc.wa.gov, and that he may contact Roger Kouchi at 1-888-333-9882.

General Comments

 Customer wanted to know why a local public hearing was not held to take public comments regarding the upgrade.

Staff Response

Public comment hearings are not required for natural gas line proximity requests. The public is given the opportunity to discuss their concerns with the company and staff and also to participate during the open meeting. The customer was provided contact information for both PSE and pipeline safety staff to discuss his concerns. Customer was also informed of the option to participate at the July 28 open meeting via telephone or to attend in person.

Recommendation

After examination of the request and giving consideration to all relevant matters, staff recommends the Commission issue an Order granting PSE's request to operate above 250 psig and subject to the conditions in the Order.