



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

November 13, 2014

Booga K. Gilbertson
VP Operations
Puget Sound Energy
PO Box 90868 M/S: PSE-12N
Bellevue, WA 98009-0868

Dear Ms. Gilbertson:

RE: Pinehurst Settlement Agreement - Docket PG-111723 Order 02

Commission staff (staff) conducted a follow-up review of the five conditions noted under the terms of section 14 of the Settlement Agreement (Agreement) between Puget Sound Energy Corporation (PSE) and the Washington Utilities and Transportation Commission (commission). The document was approved by the commission on September 26, 2013, (docket PG-111723).

Our findings are as follows:

Item 1 required PSE to hire a third party consultant to evaluate PSE's public awareness program and adopt, after review and comment by commission staff, the consultant's recommendations. PSE hired Cyera Strategies in the fourth quarter of 2013 to perform this analysis. The commission received the report on April 14, 2014. Staff reviewed the report and recommendations, and PSE's resulting changes to their public awareness program. Staff concludes that PSE has complied with item 1 of the Agreement.

Item 2 required PSE to host workshops for utilities doing business in Washington state to develop and improve communication and coordination plans with neighboring or overlapping utilities during emergencies. PSE conducted one workshop in March 2014 with identified stakeholders and conducted two teleconference follow-up meetings. Staff concludes that PSE has complied with item 2 of the Agreement.

Item 3 required PSE to review its emergency procedures plan and contracts with third parties who provide services during emergencies to determine whether changes are warranted as a result of the Pinehurst response. PSE was also to review its procedures for communicating to the public during an emergency. PSE was to submit a report of the findings to the commission. Staff

Puget Sound Energy
Docket PG-111723
November 13, 2014
Page 2

reviewed the report submitted January 24, 2013, and concurs with the findings and PSE's changes to their procedures and emergency communication strategies to the public. Staff concludes that PSE has complied with item 3 of the Agreement.

Item 4. PSE was to concur that violations of commission gas safety rules were committed during the Pinehurst response. As PSE signed the Settlement Agreement, staff concludes that PSE has complied with this stipulation.

Item 5. PSE was to pay a penalty in the amount of \$275,000 to the UTC in addition to the other stipulations. PSE paid this penalty on October 4, 2013, and staff concludes that PSE has complied with this stipulation of the settlement agreement.

This letter reflects the opinions and conclusions of commission staff, and does not necessarily reflect the position or conclusions of the commission, should it be called upon to decide these issues in a future proceeding.

If you have questions, please contact Joe Subsits at (360) 664-1322. Please refer to docket number PG-111723 in any future correspondence regarding this matter.

Sincerely,



David D. Lykken
Pipeline Safety Director

- cc: Catherine Koch, Director, Compliance, PSE
- Harry Shapiro, Director, Gas Operations, PSE
- Duane A. Henderson, Manager, Gas System Integrity, PSE
- Cheryl McGrath, Manager, Compliance Programs, PSE