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October 26, 2007

Carole J. Washburn, Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, WA 98504-7250

Attn: Dave Lykken, Pipeline Safety Interim Director

RE: 2007 Standard Inspection of Kittitas County Distribution System, Docket PG-070175

Dear Mr. Lykken,

This letter is in response to the "2007 Standard Inspection of Kittitas County Distribution System" report dated September 21, 2007. In this report, Staff identified one probable violation and three areas of concern. Below are PSE's responses to these findings.

PROBABLE VIOLATION

1. **Part 192.455 External corrosion control: Buried or submerged pipelines installed after July 31,1971.**

- (a) *Each buried or submerged pipeline installed after July 31, 1971, must be protected against external corrosion, including the following*
 - (2) *It must have a cathodic protection system designed to protect the pipeline in accordance with this subpart, installed and placed in operation within 1 year after completion of construction.*

Finding:

The pipe-to-soil cathodic on-potential for the gas main located in Ellensburg along #6 Road near the intersection with Thrall Road was measured at approximately -303 mV. The minimum required on-potential is -850 mV. At this location, the gas main transitions from plastic to steel pipe before coming above grade and crossing a creek. The steel pipe is secured to the side of the bridge on #6 Road. The portion of the steel pipe buried in the ground is isolated from the rectifier system and was designed to be protected by a galvanic anode. The anode was found connected to the trace wire used to locate the plastic gas main. Before leaving the site the anode was connected to the steel main and the pipe-to-soil potentials at each end of the bridge was then measured at -1.620 mV. There are approximately 20 other test sites at bridge or above ground crossings in Kittitas County that may have been incorrectly wired.

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Response:

PSE has reviewed all of the bridge crossings in Kittitas County and found that there was one additional location that did not have adequate cathodic protection for the pipe. This location was remediated and the pipe now has pipe to soil potentials greater than -850 mV. In addition, PSE has reviewed its cathodic protection data base to ensure that test sites exist for all bridge crossings in Kittitas County and that the appropriate maintenance schedule is assigned. As a result of this review, all bridge crossings have test sites as required and are being inspected at the appropriate frequency.

PSE is currently completing an evaluation of bridge crossings elsewhere in its system to confirm that test sites exist and adequate cathodic protection is provided.

AREA OF CONCERN:

1. **Part 192.319 Installation of Pipe in a Ditch.**

- (b) *When a ditch for a transmission line or main is backfilled, it must be backfilled in a manner that: (2) Prevents damage to the pipe and pipe coating from equipment or from the backfill material.*

Finding:

The ground cover at block valves and regulator stations consist of 2 to 4-inch crushed rock. The edges of the rock are sharp and could damage the pipe coating where the high pressure gas piping is not protected. The rock is typically two to four inches in depth where the pipe comes above grade. PSE needs to protect the pipe coating with material that complies with their standards.

Response:

PSE remediated these valve and regulator stations by providing additional protection, including the installation of rock shield and sand, at the locations where the pipe comes above ground. This work was completed in July of this year.

2. **Part 192.475 Internal Corrosion Control: General.**

- (a) *Corrosive gas may not be transported by pipeline, unless the corrosive effect of the gas on the pipeline has been investigated and steps have been taken to minimized internal corrosion.*

Finding:

During the field inspection at the Cle Elum regulator station, the control lines to the regulators were wrapped with heating tape to prevent ice from blocking the ports on the regulators. Apparently, moisture from the hydro testing of the 21 mile pipeline was not completely removed and ice is forming in the control lines. Moisture in contact with hydrogen sulfide from the gas is corrosive to the pipelines. No apparent remediation steps have been taken to protect the pipeline from internal corrosion other than to monitor the dew point. The potential for internal corrosion is high at low points along the pipeline where moisture collects and where the gas velocity is low.

Response:

As Staff noted, heat tape had been installed at one of the regulator stations to address a small amount of water that was found at this station shortly after gassing up the system. Since that time, no additional water has been observed at this station. Subsequent to this audit, the heat tape has been removed.

PSE will be monitoring the dew point of the gas in this pipeline to confirm that the pipeline is dry. If the dew point measurements indicate there is water remaining in the system, PSE will take additional steps to further dry the pipeline.

3. **Part 192.357 Customer Meters and Regulators: Installation.**

(a) *Each meter and each regulator must be installed so as to minimize anticipated stresses upon the connecting pipeline and the meter.*

Finding:

During the 2001 inspection (Docket No. 010854), meter sets were found at residences in Kittitas County that were not gas customers. PSE removed those meter sets after the inspection. During this inspection, six year later, additional meters were found that are not used or useful without the customer's fuel lines. Again, the meter sets are not adequately supported (Refer to photo on next page).

Data Request:

Please provide a complete list of locations where the service lines are in-place and not providing service. How many of these service lines have meter sets which are not connected to a fuel line?

Response:

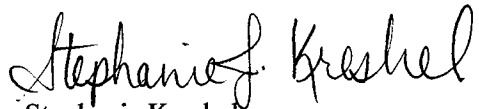
PSE has inspected the metered services in Kittitas where there is no gas usage on the account since September of 2006. We found 78 services where customers are not currently using gas. Of these, 42 were not connected to the fuel line. Per Staff's request, Attachment A is a list of these locations.

For locations where the meter is not tied into a fuel line, PSE is working with the customer to determine whether they plan to begin using gas. If the customer does not plan to use gas, PSE will retire the service. If the customer plans to use gas, PSE will review the installation and determine if additional support is necessary until the fuel line is connected. Additional support will be installed as necessary based on our review.

PSE respects the Commission's responsibilities in auditing and enforcing pipeline safety regulations and we continue our efforts to construct and operate a safe system that meets high standards of excellence.

Please feel free to contact me at 425-462-3734 if you have any further questions or comments.

Sincerely,

Handwritten signature of Stephanie J. Kreshel in cursive script.

Stephanie Kreshel,
Interim Manager - Compliance and Regulatory Audits, Gas

cc: Mike Hobbs
Duane Henderson
Erik Markell
Bert Valdman
Karl Karzmar

Attachment A - Meters Without Consumption Since September 2006

ADDRESS	CITY	HAS FUEL LINE?
1240 PINEGRASS LOOP	CLE ELUM	YES
1491 LARKSPUR LOOP	CLE ELUM	YES
20 LARKSPUR LOOP	CLE ELUM	YES
2692 STATE ROUTE 903	CLE ELUM	YES
350 ROCKING CHAIR RD	CLE ELUM	YES
370 SADDLE RIDGE LOOP	CLE ELUM	YES
40 BUTTERCUP CT	CLE ELUM	YES
460 EQUINOX DR	CLE ELUM	YES
531 CABIN TRAIL DR	CLE ELUM	YES
61 DOGWOOD CT	CLE ELUM	YES
741 MAPLE LEAF LOOP	CLE ELUM	YES
80 THIMBLEBERRY CT	CLE ELUM	YES
101 W 4TH AVE (PATRICK)	ELLENSBURG	YES
1122 RAINIER DR	ELLENSBURG	YES
1128 RAINIER DR	ELLENSBURG	YES
1961 HANSON RD	ELLENSBURG	YES
231 FIELDS RD	ELLENSBURG	YES
281 HATFIELD DR	ELLENSBURG	YES
3071 VANTAGE HWY	ELLENSBURG	YES
316 DAN LN	ELLENSBURG	YES
321 GINNY LN	ELLENSBURG	YES
531 FIELDS RD	ELLENSBURG	YES
5693 VAVTAGE HWY	ELLENSBURG	YES
7120 HANSON RD # - BARN	ELLENSBURG	YES
7350 VANTAGE HWY	ELLENSBURG	YES
100 S MAIN ST	KITTITAS	YES
101 S MAIN ST	KITTITAS	YES
104 S PIERCE ST	KITTITAS	YES
111 RAILROAD AVE	KITTITAS	YES
204 E 1ST ST	KITTITAS	YES
211 N OKANOGAN ST	KITTITAS	YES
301 W 5TH ST	KITTITAS	YES
305 S MAIN ST	KITTITAS	YES
306 RAINIER DR	KITTITAS	YES
404 N OKANOGAN ST	KITTITAS	YES
10231 THORP HWY N	THORP	YES
1100 RAINIER DR	ELLENSBURG	NO
1108 RAINIER DR	ELLENSBURG	NO
1531 HANSON RD	ELLENSBURG	NO
1671 HANSON RD	ELLENSBURG	NO
1800 STRANDE RD	ELLENSBURG	NO
205 NANEUM RD	ELLENSBURG	NO
241 NANEUM RD	ELLENSBURG	NO
318 BARBARA LN	ELLENSBURG	NO
3353 THRALL RD	ELLENSBURG	NO

3501 THRALL RD	ELLENSBURG	NO
351 NANEUM RD	ELLENSBURG	NO
3571 ROBINSON CANYON RD	ELLENSBURG	NO
361 GINNY LN	ELLENSBURG	NO
391 NAMEUM RD	ELLENSBURG	NO
3910 THRALL RD	ELLENSBURG	NO
40 DODGE RD	ELLENSBURG	NO
4031 VANTAGE HWY	ELLENSBURG	NO
471 THRALL RD	ELLENSBURG	NO
473 THRALL RD	ELLENSBURG	NO
5950 S THORP HWY	ELLENSBURG	NO
640 FIELDS RD	ELLENSBURG	NO
6890 VANTAGE HWY #B	ELLENSBURG	NO
7219 KITTITAS HWY	ELLENSBURG	NO
800 FIELDS RD	ELLENSBURG	NO
102 N MASON ST	KITTITAS	NO
105 N LEWIS	KITTITAS	NO
110 E 1ST ST	KITTITAS	NO
1103 TONY CIR	KITTITAS	NO
1104 RAINIER DR	KITTITAS	NO
204 N KING ST	KITTITAS	NO
207 N MAIN ST	KITTITAS	NO
306 ALPINE DR	KITTITAS	NO
306 N LEWIS ST	KITTITAS	NO
403 N MASON	KITTITAS	NO
405 N MASON ST	KITTITAS	NO
406 SACAJAWEA CT	KITTITAS	NO
409 W 7TH ST	KITTITAS	NO
701 SPOKANE ST	KITTITAS	NO
702 N SPOKANE ST	KITTITAS	NO
801 S MAIN ST	KITTITAS	NO
151 MAIN ST	THORP	NO
80 CHESTER ST	THORP	NO