

September 8, 2008

Dave Danner, Secretary  
Washington Utilities and Transportation Commission  
PO Box 47250  
Olympia, WA 98504-7250

Attn: Anne F Soiza, Pipeline Safety Director

**Subject: Bare Steel Replacement Program Semi-Annual Progress Report (Docket No. PG-030128)**

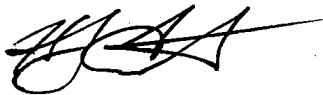
Dear Ms. Soiza:

Pursuant to Docket No. PG-030128 and PG-030080, Puget Sound Energy (PSE) is required to submit progress reports pertaining to the Bare Steel Replacement Program. This letter provides progress through June 30, 2008.

PSE completed the retirement of 55,044 feet of bare steel main during the first 6 months of 2008. The retirement of 1,075 feet of non-program footage was also completed during the first 6 months of 2008. The attached table shows program targets and actual retired footage.

If you have any questions, please call me at 425-462-3967.

Sincerely,



Helge Ferchert  
Manager, Compliance and Regulatory Audits, Gas

Cc: Sue McLain  
Harry Shapiro  
Mike Hobbs  
Duane Henderson  
Bert Valdman  
Tom DeBoer  
Eric Markell

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Bare Steel Replacement Program Semi-Annual  
Report 6 Months Ending 06/30/2008

Year	Plan Year	Program Total for Plan Year		Program Total Inception to Date		Non-Program Retirements	
		Planned Retirement	Actual Retirement	Planned Retirement	Actual Retirement	Actual Retirement	Actual Retirement
2005	Year 1	46,995	48,058	46,995	48,058	0	
2006	Year 2	99,205	89,021	146,200	137,079	1251	
2007	Year 3	99,205	165,504	245,405	302,583	9,882	
2008	Year 4	99,205	55,044	344,610	357,627	1,075	
2009	Year 5	99,205		443,815			
2010	Year 6	99,205		543,020			
2011	Year 7	137,485		680,505			
2012	Year 8	137,485		817,990			
2013	Year 9	137,485		955,475			
2014	Year 10	137,485		1,092,960			