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February 27, 2009

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 December 31, 2008.

PSE completed the retirement of 109,552 feet of bare steel main during the calendar year of 2008. The retirement of 2,701 feet of non-program footage was also completed during the calendar year 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

## 2008 Year End Totals Bare Steel Replacement Program

Year	Plan Year	Replace Unprotected Bare Target	Replace Protected Bare Target	Target Totals	Running Target Totals	Actual Program Reported Footage	Non Program Footage
2005*	Year 1	46,995		46,995	46,995	48,078	0
2006*	Year 2	99,205		99,205	99,205	88,624	1648
2007	Year 3	99,205		99,205	99,205	165,504	9,882
2008	Year 4	99,205		99,205	99,205	109,552	2,701
2009	Year 5	99,205		99,205			
2010	Year 6	99,205		99,205			
2011	Year 7	99,205	38,280	137,485			
2012	Year 8	99,205	38,280	137,485			
2013	Year 9	99,205	38,280	137,485			
2014	Year 10	99,205	38,280	137,485			
<b>Total Footage</b>		<b>939,840</b>	<b>153,120</b>	<b>1,092,960</b>	<b>344,610</b>	<b>411,758</b>	<b>14,231</b>
<b>Total Mileage</b>		<b>178</b>	<b>29</b>	<b>207</b>	<b>65.3</b>	<b>78.0</b>	<b>2.7</b>

\* Reconciled reported footages for year 2005 & 2006 to match program tracking documents.

Non Program Retirement included protected bare and unprotected bare steel main replacements not originally identified in the program or being done prior to getting 'program' credit.