



Issue Summary on Proposed settlement between  
PSE and the City of Ellensburg

Washington Utilities and  
Transportation Commission

February 13, 1998

## Background

On July 11, Puget Sound Energy (PSE) requested approval to provide natural gas service in the Kittitas County area. Currently, the City of Ellensburg has the authority to provide natural gas service in the county.

The parties in this case are PSE, WUTC Staff, and the City of Ellensburg. The parties have met several times to see if it was possible to agree on the issues in this case. Such an agreement would eliminate the need to hold costly and time-consuming hearings.

### **Have the parties in this case reached a possible settlement agreement?**

Yes. On February 11, all parties filed a settlement agreement with the WUTC. The agreement constitutes a complete settlement among parties on all issues raised in the company's proposal.

### **Where will PSE be authorized to serve natural gas?**

PSE's service area would stretch from Kittitas and Cle Elum along the Interstate 90 corridor, excluding the territory currently served by the City of Ellensburg.

### **Where will the City of Ellensburg be authorized to serve natural gas?**

The City of Ellensburg's service territory would be modified. Ellensburg's service area would include, with one small exception, all of the area between the Yakima River and the main natural gas pipeline which runs north-south approximately halfway between the cities of Ellensburg and Kittitas.

### **What about the waiver request to operate its pipeline at higher pressures?**

PSE has proposed to design the system to operate at a pressure of 500 psig. This would allow the company to store gas in its pipeline and to continue providing gas to its customers for several days in the event that PSE's transportation is curtailed or the natural gas is shut-off for some unforeseen reason.

Because the proposed location of the pipeline is within 100 feet of buildings intended for

human occupancy, the Commission staff is recommending that additional safeguards are put into place if this proposal is approved. These include:

1. The staff will monitor the design and construction of the pipeline through reports filed by the company. These include comprehensive design and construction plans submitted prior to construction and biweekly progress reports once construction has begun. These will allow Commission staff to monitor safety compliance.
2. Increased standards for testing and inspections of pipeline welds by non-destructive means (such as using x-rays). The quality and durability of welds between pieces of pipe are important factors in the subsequent safety of the pipeline. These increased standards include: (1) Randomly selecting and testing at least 25% of all circumferential welds; (2) testing 100% of the welds on all sections that cross beneath rivers, interstate highways, and other areas that may be inaccessible after construction; and (3) testing all field butt welds in "close proximity" to buildings (e.g., a distance of 140 feet in both directions from the pipeline).
3. To assist with the protection of the pipe and its coating, the pipeline trench shall be backfilled with at least six inches of sand, above and below the pipe, that is rock free.
4. Annual leak surveys over the entire length of pipeline conducted by the company.
5. Installation of sufficient pipeline marker signs so the presence of a high pressure gas pipeline is clearly identified to those people that may have property adjacent to the pipeline or may have cause to be excavating adjacent to or in close proximity to the pipeline. A general rule-of-thumb has been that a pipeline marker sign must be clearly visible from the pipeline marker signs on either side.

Under the settlement agreement, PSE has accepted three out of the five additional safeguards. PSE would like to propose a substitute requirement to items 3 and 4 listed above. PSE has asked to substitute staff's safeguards by using sand or any rock free material in the pipeline trench and they have also asked to conduct quarterly patrols of the pipeline in its entirety. The company has proposed to conduct leak surveys every three years as opposed to annual checks. Federal pipeline safety standards require that leak surveys be conducted at intervals not to exceed five years in rural areas.

### **If this settlement agreement is approved when will I be able to receive natural gas?**

If approved, PSE will be able to supply natural gas service to customers anywhere beginning in 1999 to 2004. To find out when you may receive natural gas service please contact PSE for the specific time frame for your area.

### **What process will the commission use with this proposed settlement request?**

The Commission held a public hearing on this proposal, in Ellensburg, on October 27. Your comments have been entered into the formal record for this case and will still be considered in the settlement proposal. The Commission will hold a hearing in Olympia on the proposed settlement agreement on February 25 at 9:30 a.m. at the WUTC headquarters. You are welcome to attend this hearing and offer further comment on this proposed settlement agreement. At the hearing there will be a brief presentation on the settlement agreement by all of the parties in this case. Then the public will have an opportunity to present comment to the commission.

If you would like to obtain a copy of this proposal you may contact our records center at (360) 664-1234. For reference, the docket number is UG-971136.

It is important for you to understand that the Commission has not automatically accepted the settlement agreement. The Commission may approve the settlement in its entirety or partially with modifications. If the Commission modifies the settlement agreement the parties have the option not to accept the modifications. If this happens, the case would continue on schedule in the formal fact-finding hearing process.

### **How can customers comment on the proposed settlement agreement?**

Customers may offer their comments, no later than February 24, on the company's proposal in these ways:

- (A) Write the Commission at WUTC, PO Box 47250, Olympia WA 98504-7250.
- (B) E-mail their comments to the commission to penny@wutc.wa.gov.
- (C) Attend the public meeting on the settlement agreement and address the commission directly.

PO Box 47250 Olympia WA 98504-7250  
FAX (360) 586-1136 ♦ TTY (360) 586-8203  
WEB: <http://www.wutc.wa.gov/>

To request this document in alternate formats,  
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