February 18, 2010

Washington Utilities & Transportation Commission Pipeline Safety Section 1300 S. Evergreen Park Drive S.W. PO Box 47250 Olympia, WA 98504-7250

Attn: Dave Lykken, Pipeline Safety Director.

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

Dear Mr. Lykken,

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, 2009.

PSE completed the retirement of 104,210 feet of bare steel main during the calendar year of 2009. The retirement of 5,165 feet of non-program footage was also completed during the calendar year of 2009. The attached table shows program targets and actual retired footage.

If you have any questions regarding this report, please contact me at 425-462-3967.

Sincerely,

Helge Ferchert

Manager, Gas Compliance and Regulatory Audits

CC:

Bert Valdman

Harry Shapiro

Tom DeBoer

Sue McLain

Mike Hobbs

Duane Henderson

Erik Markell

Enclosure

Bare Steel Replacement Program

Replacement Schedule

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	99,205	104,210	5,165
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			
Total Footage		939,840	153,120	1,092,960	443,815	515,968	19,396
Total Mileage		178	29	207	84	97.7	3.7

 $[\]boldsymbol{\ast}$ Reconciled WUTC 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.